



Daily Report

Latin America

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Monday
5 March 1990

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Cuba

Havana on New U.S. 'Crusade' To End Socialism

FL0203183790 Havana Radio Rebelde Network
in Spanish 1800 GMT 2 Mar 90

[Station commentary]

[Text] U.S. congressmen, Democrats and Republicans, have begun a new crusade against Cuba. Now they have announced the creation of two legislative groups in the U.S. Senate and House of Representatives whose mission it will be, as they call it, to encourage measures that will accelerate the collapse of socialism in Cuba.

In response to these strange ideas, in response to these illustrious gentlemen who openly discuss how to overthrow the governments of other countries, we should say the following to not waste too much time: Our country has reaffirmed the socialist nature of our state and the role of our party as a superior leading force of society and we have the masses' conscious participation and the intelligence, boldness, and prestige of our communist party, augmented by three decades of experience, to create socialism. We should also remind them that, as Fidel said, Cuban revolutionaries would prefer to disappear from the face of the earth rather than live under a repugnant social system where each person wants to loot the other, repress the other, or exploit the other.

We will see if you can make us disappear because this revolution, this country—and let no one be mistaken—is a hard nut to crack.

U.S. 'Militarism' in Central America, Caribbean

FL0303033090

[Editorial Report] Havana Tele Rebelde Network in Spanish at 0130 GMT on 3 March carries its 28-minute "International View" program entitled "Imperialistic Militarism in Central America and the Caribbean." Program host Valentin Rodriguez introduces his three guests: Maria del Rosario Roiz, representative of the Committee of Popular Organizations of Honduras; Lic Reynaldo Rivera, national coordinator of the Secretariat of the Democratic Revolutionary Party of Panama; and Edgardo Rivera, coordinator of the Caribbean Project of Education for Peace of Puerto Rico.

The three guests give a historical background of the presence of U.S. military bases in their respective territories and explain how they have contributed to the continued U.S. "hegemonic dominance" in the area.

Valentin Rodriguez notes there are indications that the United States has approximately 2,500 military bases in 114 countries of the world. He adds that almost 100 of them are located in the Central American and Caribbean area.

Panama's Reynaldo Rivera sums up the main point of the program when he says: "The agreement, the United

States attempts to reach, and has already launched at a certain degree, regarding the geopolitical-military situation in Europe is different from what it intends to do in Central America and the Caribbean. Americans can negotiate any type of detente in Europe but what they have shown with the invasion of Panama and what they have been doing in Central America in general; such as the case of Honduras, Puerto Rico, Nicaragua, and El Salvador, but even more so with what it did in Panama on 20 December, to establish in an irrefutable way its military dominance—which will bring geopolitical dominance in the region—shows that they can negotiate in Europe, but in Central America, specifically Panama and Central America, they are not willing to negotiate." He adds: "Imperialism can negotiate detente in Europe but it is showing other international forces that it is not willing to give up its predominance and strategic and military dominance in sensitive areas such as Central America."

Rodriguez agrees with this view and adds that: "Peace among superpowers has been negotiated but, as I said at the beginning, peace in Central America is being threatened."

Impact of UNO Victory on FMLN Rejected

PA0403194390 Havana International Service
in Spanish 0000 GMT 3 Mar 90

[Commentary read by Manolo Ortega: "Our America"]

[Text] The electoral victory of the National Opposition Union [UNO] in Nicaragua has generated deep satisfaction among the most reactionary circles in the United States. Also rejoicing are the U.S. Government's closest allies in Central America who pompously predict fanciful variations of that defeat for liberation movements that are still fighting in the area.

Those sectors base their arguments—some of which have already been made publicly—on the alleged total dependence of those liberation movements on aid from Nicaragua in all areas. Perhaps—and this is not to say they are right—they are not wrong if they are referring to solidarity and moral support. It would be absurd to deny that not only Nicaragua, but all people of goodwill and progressive thinking, support the desire for victory of Salvadorans, Guatemalans, and all those who are stubbornly fighting for independence. However, to proceed from there to the belief that the survival of those movements depends exclusively on assistance from another nation reveals a lack of respect for, and political ignorance of, the values and fighting spirit of others.

At this point it is appropriate to cite a comment by Ruben Zamora, secretary general of the Popular Social Christian Movement of El Salvador, who gave his opinion with regard to the recent Nicaraguan elections. Zamora said: As for the survival of the Farabundo Marti National Liberation Front [FMLN], which according to the Salvadoran Government exists thanks to Sandinist aid, it must be said that the guerrilla movement does not

depend on Nicaragua and anyone who believes that the UNO victory will solve the Salvadoran problem is making a very serious mistake.

Upon its creation in 1979, the FMLN consolidated five organizations under a single command. This reflected a momentous decision by the Salvadoran revolutionary forces to consolidate and unite, politically and militarily, the guerrilla groups that existed at the time. Since then, the FMLN has projected to the world, and particularly to its brothers in Central America, the image of a strong movement that is determined to win despite the hostility of successive governments, local Armed Forces, and permanent financial aid from the United States [for the government]. These are undoubtedly special times for the Salvadoran fighters, who are prepared to talk with the authorities to end a conflict that has lasted for over 10 years, in which the FMLN has shown that it is a considerable military and political force.

However, the talks have not yet been achieved because of the innumerable obstacles presented by President Cristiani's administration. Even so, the offensive carried out some months ago by the FMLN demonstrated the military and political strength of the Salvadoran guerrillas, who have the moral support of all revolutionaries.

Those who believe the FMLN is condemned to death as a result of the elections in Nicaragua are forgetting that the Salvadorans' struggle for national liberation has its origins in the heroic actions of Agustin Farabundo Marti almost 60 years ago. It is not a revolution imported from Nicaragua, but the just rebellion of a people who have been excessively exploited by a group of oligarchic families and imperialist multinational companies. Therefore, for the struggle to end, its deep-rooted causes must be eliminated; causes that are to be found in hunger, inequality, injustice, repression, and dependence. To think otherwise is to commit a very serious error.

Country Withdraws 31,434 Troops From Angola

*FL0203124090 Havana Tele Rebelde Network
in Spanish 1200 GMT 2 Mar 90*

[Text] The Ministry of the Revolutionary Armed Forces has reported that, as our people have been told previously, the Governments of Angola and Cuba decided to renew the withdrawal of troops on 25 February, considering the gestures made by the Governments of the United States and the Republic of South Africa and by UNITA [National Union for the Total Independence of Angola]. UNITA promised not to repeat any kind of aggression against Cuban troops.

As a result of this and in accordance with the Bipartisan Agreements Cuba and Angola signed in New York on 22 December 1988, 286 internationalist combatants were withdrawn from Angola in February 1990. A total of 31,434 combatants have thus returned to the fatherland as of 28 February.

In accordance with the agreements signed, the process of the withdrawal of personnel has been under the control of the UN Verification Mission in the People's Republic of Angola.

Castro Attends Second Session of FEU

*FL0303184790 Havana Tele Rebelde Network
in Spanish 1800 GMT 3 Mar 90*

[Excerpt] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, is presiding over the second session of the Expanded National Council of the Federation of University Students [FEU], which began this morning. More than 270 students and university presidents, deans, leaders of the party, the Union of Young Communists, organizations and institutions, are participating in this meeting. [passage omitted]

Comments on Graduate Placement

*FL0303194890 Havana Radio Reloj Network
in Spanish 1901 GMT 3 Mar 90*

[Text] At the second session of the Expanded National Council of the FEU [Federation of University Students], Commander in Chief Fidel Castro pointed out the need to define the status of university graduates so they will be more efficient and provide greater production in relation to their knowledge. He stated that the placement of university graduates cannot be done solely by considering requests from organizations, but by looking at where they will really be most useful, because through negligence or carelessness, many provinces do not ask for the university-educated experts they need.

In referring to university graduates, Fidel said that the Ministries of the Sugar Industry and Agriculture have many professionals, but their efficiency in the levels of production is not proportional. He said that we accomplish nothing by graduating thousands of people from universities if we then cannot find places for them, and stressed the need of training for professionals.

Alarcon Term as Security Council President Ends

*FL0203125490 Havana Tele Rebelde Network
in Spanish 1200 GMT 2 Mar 90*

[Text] Ricardo Alarcon, Cuban ambassador to the United Nations, said that the UN Security Council can be democratized if nonpermanent members would be sensitive to the legitimate aspirations of the regions they represent. Alarcon, who presided over the Security Council during the month of February on behalf of our country, said that during his term in office established procedures were followed and new elements were introduced, such as informing the representatives of regional groups of the national liberation movements of matters submitted for their consideration.

Regarding the right of veto, Alarcon added that countries like the United States use this privilege when the matter

deals with problems that affect the sovereignty and interests of Third World countries.

Elected Committee Deputy Chairman

*FL0303004090 Havana Radio Rebelde Network
in Spanish 0003 GMT 3 Mar 90*

[Text] Cuban Ambassador Ricardo Alarcon de Quesada was elected today deputy chairman of the Committee for the Inalienable Rights of the Palestinian People during the committee's analysis of the agenda in 1990. According to a communique issued by that work group, Alarcon de Quesada replaces his predecessor Ambassador Oscar Oramas Oliva. It noted that although the two are from the same country the election for that committee is done in recognition of Alarcon's personal actions.

During today's meeting, the committee also approved the work program for this year including regional seminars and symposiums of nongovernmental organizations in Africa, North America, and Europe. Committee chairman, Senegalese Absa Claude Diallo, reported the results of the meeting held in January to prepare the conference of nongovernmental organizations in North America to be held at UN headquarters 27-29 June. Also during today's meeting, PLO observer (Sud Difter) commented on how important it is for the Middle East peace process to have a draft on the situation of Palestinian children for the next world summit on this subject.

Miret Speaks at Granma Spare Parts Assembly

*FL0303131690 Havana Radio Reloj Network
in Spanish 1214 GMT 3 Mar 90*

[Text] Politburo member Pedro Miret Prieto has asserted in Bayamo that we must work to solve our problems like the great cooperative that is Cuba. At the Granma Provincial Spare Parts Assembly, Miret said that the country is involved in what Fidel proposed, which is a return to the period of 1959 regarding maintaining our industry under any circumstances.

Later in Camaguey, Miret received that province's first pledges in honor of the Fifth National Spare Parts Forum, which will be held in December. The 1,930 agreements to recover and produce spare parts correspond to various spheres and appear in an album handed over at a meeting which was also attended by Lazaro Vazquez, alternate Politburo member and first party secretary of that province.

Researchers To Work on Speeding Food Production

*FL0203133090 Havana Tele Rebelde Network
in Spanish 1200 GMT 2 Mar 90*

[Report by Gladys Rubio]

[Text] More than 150 researchers will begin working with certain agricultural-livestock enterprises

throughout the country to accelerate the food-production program. The specialists met with Dr. Rosa Elena Simeon, president of the Cuban Academy of Sciences, and Comrade Carlos Perez, minister of agriculture.

Two basic principles apply to this plan: combining results with the resources of each enterprise, and the researchers' dedication to their work in the enterprise and in the laboratory.

For our people to have access as soon as possible to more meat, milk, tubers, and vegetables, multidisciplinary teams of researchers will work directly with agricultural-livestock, rice, and tuber and vegetable enterprises. It was also reported that in one municipality in each province, a group of researchers specializing in tubers and vegetables will be created to share their expertise with the rest of the territory.

During his speech at the meeting, Agriculture Minister Carlos Perez stressed the importance of the researcher-producer link as the only way of accelerating the food program. He called on the specialists to fight for the integration of this program and congratulated them for their willingness to share their knowledge with agricultural-livestock units.

Grenada

Hard-Fought Campaigns as Elections Approach

*FL0203191390 Bridgetown CANA in English
1810 GMT 02 Mar 90*

[Report by Rickey Singh]

[Text] St. George's, Grenada, March 2. CANA—This small, picturesque Caribbean island which has etched itself into international consciousness with its spices and revolutionary politics, is moving through a hard-fought campaign for a March 13 election to what some analysts say could be an uncertain political future. Its minority caretaker government, headed by Prime Minister Ben Jones, has chosen this eleventh anniversary date of the first-ever military coup in the English-speaking Caribbean for the third general elections since Grenada's independence on February 7, 1974. The possibility of none of the five contesting parties emerging with a clear-cut majority has added to the gloomy forecasts for this island state that has an official 28 percent unemployment rate - the labour force is 68,000 - and an estimated EC276 million dollar (one East Carib dollar = 37 U.S. cents) debt that is EC17 million dollars more than its 1989 recurrent and development budget.

Additionally, there are problems resulting from a virtual freeze on foreign private investment; rising emigration of skilled personnel, with the nursing and teaching professions mostly affected; and reportedly declining foreign aid. Over the past two years overseas development assistance averaged some 14 million dollars annually, or about half of what it used to be during the first

three years following an October 1983 military coup and U.S. invasion of the island. With the so-called "communist threat" of the 80s no longer viewed as a useful campaign weapon for the traditional pro-U.S. rightwing parties at the start of the decade of the 90s, there is much focus in the elections campaign on poor management of the economy, allegations of corruption, several manifesto promises and speculation about likely political deals after the official poll results have been declared. Five established political parties and more than seventy candidates are involved in the battle to win support from the 58,336 eligible voters—some 10,000 more than at the December 1984 election—for 15 parliamentary seats.

Contrary to the enthusiastic forecasts of four of the five contesting parties, the cautious predictions of independent observers range from a slim majority for the National Democratic Congress (NDC) to development of a two-party coalition government. The NDC is leading the field in most of the 15 constituencies, with former Prime Minister Sir Eric Gairy's Grenada United Labour Party (GULP) in second place, according to the still unofficial results of a recent poll. In addition to the governing National Party (TNP) of 65-year-old Prime Minister Jones, the GULP, and the NDC, headed by Nicholas Brathwaite (66), there are the New National Party (NNP) which had won the last December 1984 elections and is now headed by ex-communications and works minister, Dr. Keith Mitchell (42), and the Maurice Bishop Patriotic Movement (MBPM), headed by 37-year-old Dr. Terrence Marryshow. With the exception of the MBPM, all of the parties boldly speak of outright victories, with Gairy extending his boast to winning the next elections due in 1995 as well. The likelihood of a two-party coalition government is currently being debunked by all of the parties. A persistent view here is that of an NDC-TNP coalition, or one involving GULP and NNP. Political analysts say neither the rightwing TNP, of which Ben Jones became leader on the death last December of Prime Minister Herbert Blaize, nor the leftwing MBPM is expected to make any significant showing at the polls. At best, TNP is being tipped to secure three seats, including that of Prime Minister Jones, himself facing a tough fight against four candidates to retain his St. Andrews south-west constituency. TNP is a splinter group from the New National Party, a coalition of three pro-U.S. conservative parties that swept the December 1984 elections, then under Blaize's leadership, capturing all but one of the 15 constituencies. It subsequently fell apart under a series of defections, with the autocratic Blaize heading a minority government four months before his death.

Eric Matthew Gairy, the eccentric politician whose government was overthrown on March 13, 1979 by Maurice Bishop's new Jewel movement, feels that it is by "divine intervention" that March 13 has been set for new elections which, he predicts, "will bring us (GULP) back to power in a landslide." That optimism by a now less flamboyant and partially blind Gairy, does not reflect

the mood of the voters who remain sharply divided in their support for the five contesting parties. The decisive edge is apparently going to the NDC, the leading figures of which had parted company with Blaize's NNP government by mid-term to launch the NDC. The focus here and abroad on a possible good showing by GULP on March 13 is based on the party's capturing 35.8 percent of the votes at the 1984 elections when Gairy did not contest a seat but ran the campaign from his pink old-style colonial house. Informed watchers of the Grenadian political scene feel that while Gairy's GULP continues to command at least 25 percent of the valid votes across the island, the former prime minister's list of candidates reveals a lack of sophistication and understanding of the mood of a largely new electorate from the days when "Uncle Gairy" was a hero. Even some of GULP's opponents are conceding that while Gairy himself could be beaten in the St. George's south constituency to which he has returned—a possibility being openly derided by the politician with a fascination for mysticism—his party could very well pick up at least three seats.

He said: "Even the NDC and NNP are now admitting that Grenada cannot honestly be seen as a success story of a democratic system of government, or as a showcase of economic progress after all the political disintegration, autocratic politics, incompetent management we have been subjected to over the past five years...." For his part, NNP leader, Dr. Mitchell has already warned against any further overseas aid being made available to the government. He said an NNP government, "which I confidently expect to be installed after the elections will not be wasting our limited resources in paying back debts given to what now passes for a government...."

And while Sir Eric is promising to offer the Americans to establish a permanent U.S. military base on the island once his GULP is returned to power, NDC's Brathwaite is urging "clean and responsible government." He said that all ministers of a new government must be prepared to publicly declare their assets.

The government here is again facing the poll without fulfilling its early pledge on taking office to establish an independent commission to probe the tragic events of 1983 that brought death and destruction to a still unknown number of Grenadians between October 19, when Prime Minister Bishop was executed, and the U.S. invasion six days later.

The trial of former leading "comrades" of the People's Revolutionary Government, including ex-Deputy Prime Minister Bernard Coard and his wife, Phyllis, is still continuing, eleven years after they were arrested for the murder of Bishop and other top figures of the deposed NJM government. The appeals of 14 of those condemned in December 1986 to die for the murders committed at Fort George on October 19, are still before the island's Appeal Court. In the meantime, the police have reported "a reasonably peaceful" campaign and the

chief elections officer said that arrangements were proceeding smoothly for March 13.

Haiti

More Reportage on 28 Feb ANDP Statement

FL0203165490 Port-au-Prince Radio Metropole
in French 1700 GMT 1 Mar 90

[Excerpts] Falling in with the rest of the opposition parties, the three parties composing the National Alliance for Democracy and Progress [ANDP]—Movement for the Establishment of Democracy in Haiti, National Patriotic Movement of 28 November, and Nationalistic and Progressive Revolutionary Party of Haiti—are also asking that General Prosper Avril resign.

The carnival truce is over. Political debate resumed early on the morning of 28 February with a surprising statement from the ANDP: Gen. Prosper Avril must step down. Since last January's events, the ANDP had been careful not to sign any joint communiques asking for such a thing. It has now fallen in with the group of 12. This political alliance made its statement through Marc Bazin, who acted as its spokesman. [passage omitted]

[Begin Bazin recording, in Creole] We ask the general to understand and to admit that the direction he has now taken with the country is no good. It is a direction that has no exit. It is an impasse. The way things are today, no government can stay in power by means of repression. No chief can impose his law on a people even if that people can neither read nor write and regardless of where that people is, west or east. We are seeing this every day on television. Now peoples throughout the world insist on saying, freely and without constraint, what they want and what they do not want.

Unfortunately, what has been happening for the past year and a half shows us that Gen. Avril has neither the intent nor the means to conduct the nation's affairs differently; to hear what the Haitian people have to say, and begin shifting into reverse so he can exit through the same door through which he entered.

As patriots and democrats, we would like the nation to be spared new jolts. We would like to give him some chance—even a tiny one—to get out of the shameful situation which he is in today, a situation in which as an answer to political parties, they smeared the parties' headquarters. These are practices that shame us Haitians. To avoid remaining in such a dramatic situation of shame and infamy, we ask Gen. Avril to resign as chief of government. This solution is a patriotic one; a solution good for the honor of the Haitian Army, good for the cohesion of the military institution. This would be a wise and level-headed solution. [passage omitted]

As for the electoral council [CEP], the institutions that appointed the members will be given a short period by the provisional government—three days—to decide whether they want to keep the representatives they have

sent or whether they will send new representatives. [end recording] [passage omitted].

PPH Leader Calls for Resignation of Avril

FL0203170990 Port-au-Prince Radio Metropole
in French 1700 GMT 1 Mar 90

[Text] [Announcer] In Cap-Haitien, Francois Magloire of the PPH [Party of Haitian Patriots] has called for the resignation of General Avril. Our correspondent Jimmy Prophete will tell us about it.

[Prophete] Cap-Haitien's political leaders have begun emerging from their silence and giving their opinions regarding the big political questions of the current juncture. Francois Magloire, a candidate in the aborted 29 November 1987 presidential elections and currently head of the PPH, has given to understand that he would not be against a solution consisting of replacing Gen. Avril, if such a solution was essentially to render more wholesome the atmosphere and prepare for democratic elections in Haiti. This leader adds that the current context, undermined by an overdose of social tension and a great distrust of the government, is hardly propitious for holding elections. Here are Magloire's statements.

[Begin Magloire recording, in Creole] If, on the other hand, the nation's higher interests were to require that we find another solution to get out of the current crisis...[changes thought] the current situation, this period, is already an exceptional one. Thus, we could find an exceptional solution.

As I was saying, I myself would not hesitate to propose they make a choice, that they choose a person who offers guarantees to help the country out of this situation, because elections are not possible in the current context. [end recording]

[Prophete] Magloire did not say whether or not he would be willing to go to elections. It depends on the extent to which the president general clings to power, and whether or not the elections will be held despite everything. Other leaders and potential candidates in Cap-Haitien reserve the right to set forth later their positions on the problems and on politics.

Other Groups Demand Resignation

FL0203201590 Port-au-Prince Radio Metropole
in French 1700 GMT 2 Mar 90

[Passages within quotation marks recorded, in Creole]

[Excerpts] [Announcer] The military government is being decried more and more by political parties. After the Group of 12 and the ANDP [National Alliance for Democracy and Progress], now the civilian society and the National Front Against Repression is demanding the resignation of General Avril. However, these groups are

not united on who should take over power from the military government for each group has suggested its own provisional president.

The Civilian Society Committee for the Respect of the Constitution has proposed that General Avril be replaced by a civilian president. According to their proposal, the new chief of state would be chosen by a nine-member State council representing the nation's principal institutions except the Catholic and Protestant churches, which would serve as referees. [passage omitted] During a news conference yesterday, the National Front Against Repression proposed Father Jean Bertrand Aristide as provisional president to replace Gen. Avril. The Front's officials said, during the news conference, that Father Aristide was the only person the masses would trust to demacoutize the country and organize free elections. Let us listen.

[Unidentified speaker] "We of the National Front Against Repression discussed the matter and saw that there are not many people in Haiti whom the masses trust for the work that needs to be done, the work of demacoutization, the work of establishing democracy in Haiti. Upon reflection, we see that there is only one person in Haiti today who can bring together a number of sectors in Haiti and whom the masses can trust to take things further: Father Jean Bertrand Aristide."

[Announcer] During this news conference, the Front's principal spokesman Ben Dupuy, a Front official and director of the weekly HAITI-PROGRES, was severely criticized by CATH [Autonomous Organization of Haitian Workers] officials and militants. The CATH men—particularly Gabriel Miracle and Gesner Milcent, members of the CATH's executive committee—accused Dupuy of dividing all the democratic organizations in Haiti and of being an agent of U.S. intelligence services.

[Unidentified speaker] "Ben Dupuy is seeking to divide the CATH. He called Yves Richard from Canada before [words indistinct]. They told Yves Richard to boot me out. Yves Richard called me here in Haiti and told me this, the same way he told me it was (KID) [Confederation for Democratic Unity]. Therefore we feel we cannot sit down at the table with people like that, because every time the people's struggle should advance, they cause it to go backward."

[Announcer] These CATH members also denied that CATH president Yves Antoine Richard, who was present at Ben Dupuy's side, had a right to represent them. They accused Richard of having been bought off by Dupuy. They also accused another CATH official, Armand Pierre, of having been bought off by Dupuy, and the executive committee of the CATH yesterday suspended Pierre. Dupuy called these accusations gratuitous and said they were countertruths aimed only at creating confusion for the benefit of petty interests. He said one of the techniques of U.S. intelligence service agents was precisely to attribute to others their own affiliation.

[Dupuy] "We note today that we clearly cannot call this news conference a success because there is so much noise and fussing going on. And it is very clear that certain groups came here to make a fuss to give the public and press not sympathetic to the Front the opportunity to say the news conference was a real mess. We consider that we are not responsible, as the organizers of the news conference, for what is happening. We think this is a well-laid-out plot, the same way we see Avril plot to put people in prison, and the same way we know they send out agents provocateurs to create disorders. We think these are not democratic methods."

No Electoral Activity Noted in Mirebalais

FL0203172190 Port-au-Prince Radio Metropole
in French 1700 GMT 1 Mar 90

[Report by Mirebalais correspondent, in Creole]

[Excerpts] Electoral activities are at a slowdown in Mirebalais. There is no activity in town that would indicate to anyone there would be elections in the country. Several people we contacted gave us to understand they cannot provide any opinion on the matter because things are not very clear. They also said they would not have any comments until the members of the Departmental Electoral Bureaus [BED] are installed. [passage omitted]

We also have a press release. The Committee of Young Haitian Peasants [Komite Jen Peyizan Ayisyen], whose acronym is (Cojeh), protests most forcefully the phony elections General Avril and his CEP [Permanent Election Council] are ready to hang around our necks.

(Cojeh) says: We must not forget the 33 years of abuse, repression, and exile that constitute recent Haitian history. We must not forget that General Namphy said he would provide security for the November 1987 elections and we all saw how things turned out!

Long live candidates who are more concerned about the population than about taking power. Long live unity among the candidates. We must not forget the burning of the Salomon marketplace, the most sensitive date in the history of Haiti. (Cojeh) asks all candidates—be they Administrative Councils for the Communal sections, magistrates, deputies, senators, or president—to continue to struggle for that unity.

We must not forget the statements the general made in the central plateau and in Cite Soleil, where he said the people did not need elections, that what they needed were jobs. Long live (?patriots) so we can form a chain of solidarity to stop the death train.

Trinidad and Tobago

Venezuelan Foreign Minister Holds Meetings

FL0203215690 Bridgetown CANA in English
2127 GMT 2 Mar 90

[Text] Port of Spain, Trinidad, March 2, CANA - Venezuela's foreign minister, Reinaldo Figuerdo Planchart, held a series of top-level meetings during a brief visit to Port of Spain on Friday [2 March]. His visit is expected to pave the way for an April visit by Venezuelan president, Carlos Andres Perez, who is to sign a new marine delimitation agreement with Trinidad leader A.N.R. Robinson.

Planchart, who arrived by Venezuelan private jet around lunchtime, met with Trinidad and Tobago Prime Minister A.N.R. Robinson Friday afternoon. He was scheduled to meet with the Trinidadian ministers responsible for external affairs, industry, food production, energy, and justice later in the day.

In the evening, Trinidad and Tobago's External Affairs Minister Dr. Sahadeo Basdeo holds a dinner in Planchart's honour. A news conference would be held before he flies out Saturday [3 March]. Planchart and Basdeo were on Friday to make a joint declaration on the delimitation agreement which shares out the resources of the territorial seas between Trinidad and Venezuela. The two countries are still working on a renewed fishing agreement which will follow on the current second arrangement which was extended until the end of 1990.

The visits come at a time of stepped-up bilateral relations between the neighbouring Caribbean and South American republics. Perez visited Trinidad last August when he first met with Trinidadian officials on bilateral relations before moving into a meeting with a number of Caribbean Community leaders in Tobago to look at greater Venezuela/Caricom relations.

PRI 'Categorically' Denies Aid to FSLN*PA0203191190 Paris AFP in Spanish 1828 GMT
2 Mar 90*

[Text] The ruling Institutional Revolutionary Party (PRI) today "categorically" denied financed part of Nicaraguan President Daniel Ortega's electoral campaign and accused "faceless and nameless U.S. officials of making these assertions."

According to the U.S. media, which quoted "U.S. officials," the PRI donated about \$11 million to the Sandinist National Liberation Front (FSLN) in propaganda material such as pro-Ortega "T"-shirts and posters.

"The PRI has relations with the FSLN in the same way as other parties which are members of COPPAL—Permanent Conference of Latin American Political Parties—and in this framework we closely help out with our experience," Rafael Resendiz, PRI secretary of information and propaganda told AFP.

"We have never given financial, economic, or in-kind aid" to the FSLN, Resendiz added.

"We are very surprised by these accusations because they are anonymous and only serve to tarnish the good relations between Mexico and the United States," the PRI official said in an annoyed tone of voice.

Iranian Official Meets With Foreign Minister*LD0103223490 Tehran IRNA in English 1745 GMT
1 Mar 90*

[Text] Tehran, March, 1, IRNA—[Iranian] Deputy Foreign Minister for Euro-American affairs Mahmud Va'ez, who is currently in Mexico City, conferred with Mexican Foreign Minister Fernando Solando on expansion of political, economic, cultural and scientific relations between the two countries.

Va'ez briefing the Mexican official on the Islamic Republic's foreign policy, described as "suitable" the fields for bilateral cooperation. He called for exploring of each other's potentials.

In response, the Mexican minister expressing willingness for expansion of relations with Islamic Iran, called for exchange of political and economic delegations.

Solando said promotion of Tehran-Mexico City ties in various fields was in the offing.

The two sides also placed emphasis on the need for formation of a joint economic commission.

Interior Secretariat Recognizes Opposition Wins*FL0303023590 Mexico City NOTIMEX in Spanish
0005 GMT 3 Mar 90*

[Text] Mexico City, 2 Mar (NOTIMEX)—The political conflict created in the State of Guerrero could be solved

soon with the Interior Secretariat's recognition of the opposition's triumph in the elections for three mayors.

Ciro Mayen Mayen, deputy of the Party of the Democratic Revolution (PRD), asserted today that the Interior Secretariat proposed to recognize the triumph of its candidates in the Municipalities of Teloloapan, Chichihualco, and Malinaltepec. Also, he said it considered the possibility of having the PRD representatives head the municipal councils—a sort of government—in the Municipalities of Coyuca, La Union, Coahuayutla, and Metepec.

We have discussed the proposal and it looks good but we need other proposals to solve the situation by assigning town councilmen and syndics in other city halls, he said.

Mayen explained that in this way all the challenges to the electoral results of 21 municipal presidencies will be solved. These elections were held on 3 December. Mayen added that talks with the Interior Secretariat may resume on 5 or 6 March.

He said a commission of PRD deputies is preparing a report on the events that took place on 28 February in Acapulco and Zihuatanejo where police and PRD protesters clashed, leaving two dead and over 30 wounded.

Mayen said the report will be forwarded to Interior Secretary Fernando Guitierrez Barrios so he learns about the truth of the violent actions. According to Acapulco and Zihuatanejo government authorities the clashes occurred when the PRD members attempted to occupy the airports in those cities.

Former Interpol Director, Seven Others Arrested*FL0203025090 Mexico City NOTIMEX in Spanish
2346 GMT 1 Mar 90*

[Text] Mexico City, 1 Mar (NOTIMEX)—Mexican authorities have confirmed that the seven people arrested with former Interpol Director Miguel Aldana Ibarra, who currently presides over the Mexican Bar, worked for him. The Attorney General's Office said the ones implicated are Luis Adolfo Miranda Arnalt, Roberto Arias Garcia, Roberto Checa Pavon, Juan Carlos Chavez Vargas, Mexican Bar Vice President Alberto Carrasco Breton, Lilia and Mali Bustamante, and Miguel Angel Conde Torre. Aldana Ibarra was apprehended yesterday. He and the rest of the detainees were interrogated at a Judicial Police holding cell today.

The Attorney General's Office reported that 32 gm of cocaine were found in Aldana's office and 15 more grams were found at the offices of David Reynoso, Jr., son of the actor of the same name. In addition, various documents, cassettes, and photocopies of the file on the investigation carried out at El Bufalo Ranch were found. Some 9,000 tons of marijuana were seized and destroyed there in 1984.

One kg of cocaine base was found hidden in a closet of a room at Aldana's country home in Cuernavaca. Five rifles and two pistols were seized from people who worked there.

Aldana, 4 Others Indicted

*FL0303134890 Mexico City NOTIMEX in Spanish
0322 GMT 3 Mar 90*

[Text] Mexico City, 2 Mar (NOTIMEX)—Miguel Aldana Ibarra, former director of Interpol in Mexico, and four other codefendants today entered Oriente Prison in this city, accused of bearing arms, crimes against health, and concealment. Aldana Ibarra, currently president of the Bar Association, was indicted before Alfredo Murguía Camara, seventh criminal district judge, for the crimes of cocaine possession, purchase, and supply, and stockpiling of weapons.

Aldana Ibarra asserted to the Federal Attorney General's Office that he bought cocaine from David Reynoso Martínez for \$12,000 per kilogram. He stated that during the time he was Interpol director—for three years under the former administration—he had contacts with several Mexican drug traffickers and carried out operations to sell and purchase cocaine. He also admitted that the kilogram of cocaine found by the police in his house in Cuernavaca, Morelos State, and the weapons, were his property and he acknowledged that he had sniffed cocaine.

Aldana Ibarra's employees Juan Carlos Chavez Vargas and Roberto Checa Pavon were also indicted for the crime of bearing firearms reserved for the exclusive use of the Army and Armed Forces. In addition, Roberto Arias García was indicted for cocaine possession and bearing a firearm without a permit, while Luis Adolfo Miranda Arnat was imprisoned for concealment. Lilia

Bustamante Mendizabal, Miguel Conde Torres, and Alberto Carrasco Breton—who had been the private secretary of Manuel Ibarra Herrera, former director of the Federal Judicial Police—were released for lack of evidence. The Federal Attorney General's Office has requested an arrest warrant for David Reynoso Martínez, son of David Reynoso, a former secretary of the National Actors Association (ANDA).

Joint Trading Company Established With USSR

*FL0303185290 Mexico City NOTIMEX in Spanish
1650 GMT 3 Mar 90*

[Text] Mexico City, 3 Mar (NOTIMEX)—Soviet Embassy official Anatoliy Karabach has said that Mexico and the USSR will diversify their trade relations in the industrial and agricultural sectors, mainly to deal with world economic changes. The Soviet trade representative in Mexico added that this month he will begin operations with a joint capital trading company, with the aim of processing imports of Soviet machinery and promoting Mexican products. He said that through these operations he expects about 8,000 tractors per year to be imported for the purpose of reactivating the Mexican countryside; to then penetrate the Central and South American markets and that of the United States.

He added that for its part the Mexican Cable Enterprise (Camesa) is preparing for joint production of electromechanical cables on Soviet territory. He asserted that since the recent Soviet trade opening experienced after perestroika was implemented, there are opportunities to introduce into his country's market Mexican products such as footwear and pharmaceuticals, among others. He said that given the limitations both countries have in handling hard currency, there is great interest in carrying out trade transactions through barter.

El Salvador

Venceremos Reiterates FMLN Internal Strength

PA0203203990 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 1 Mar 90

[Station commentary: "The Farabundo Marti National Liberation Front's Strength"]

[Text] The Nicaraguan opposition's electoral victory has led the military and the most recalcitrant rightists to think that the FMLN [Farabundo Marti National Liberation Movement] has reached the end. They argue that there will be no one in the world to supply arms to the guerrillas and that, therefore, the only path open to the FMLN is surrender.

This conclusion is completely mistaken because it is based on the false premise that the FMLN's strength comes from abroad. For the rightists, the FMLN is only an instrument of international communism and its leaders, Moscow agents. According to the rightists' analysis, now that the Berlin Wall and nearly all of East Europe's totalitarian regimes have toppled, the FMLN has become an instrument of Cuba and Nicaragua. With the results of the Nicaraguan elections, the rightists and the military have naturally concluded that the FMLN no longer exists.

The FMLN, however, exists and is much more powerful than it was last year. It is one of the country's three largest forces. It has not yet been demonstrated which of the three is the most powerful. This will have to be determined in a pure, well-monitored electoral process like the one held in Nicaragua on 25 February. While the parties (?without support) tumbled in East Europe, the FMLN launched its strongest offensive, demonstrating not only its military strength, but the people's support for our stand. Our strength, then, does not originate in the PRC, Cuba, or Nicaragua. We will not deny that the Sandinists are our friends and that although they lost the elections [words indistinct].

And yet the Sandinists are not the FMLN's strength. Our strength lies in the people's support, the Salvadoran people, and their organization. All labor, humanitarian, and peasant organizations—even political parties—have been charged with being a cover for the FMLN. Although the charge is slanderous, it is an indication of the people's sympathy with the FMLN's stand. In 10 years of war and since the guerrillas were organized in our country, we have sustained thousands of casualties. However, there have always been patriots to fill the gaps left by those who fell. These patriots do not come from Moscow, Cuba, or Nicaragua.

The FMLN's fundamental strength is the people's support. To this we must add our organizational ability, the command's (?cohesion), the leadership's political vision.

As for the arms, no one can deny the FMLN's fighting capability. As Commander German Cienfuegos said, we

can buy arms wherever they are sold. We can transport them from anywhere on earth to the war fronts. So the problem is not the arms, but the men who are willing to take up these arms. It would be an error to underestimate the FMLN's strength as was done prior to November. Only two days before 11 November, Colonel Emilio Ponce said that there were only 132 guerrillas on the slopes of the San Salvador volcano and that the FMLN's capability was only for show.

Later came the weeping and the gnashing of teeth. Let not their wrong conclusion lead them to demand our surrender as a political solution to the conflict. We will simply not surrender. We possess the strength and the willingness to enter a serious negotiation process, with the mediation of the UN secretary general, to achieve a solution. But we also are powerful enough to make war on those who want to impose their will through war.

Rebel Attributes Defection to Ortega Defeat

PA0203230790 San Salvador LA PRENSA GRAFICA
in Spanish 1 Mar 90 p 38

[Text] The defeat of Daniel Ortega in the Nicaraguan elections has depressed the terrorist ranks and is causing desertions, according to a fighter who has quit the FMLN [Farabundo Marti National Liberation Front].

Jose Felipe Lopez, who was a militant of the FPL [Farabundo Marti Popular Liberation Forces] and who operated near the "15 September Dam," arrived at the national guard post at the dam and announced his decision to quit the FMLN terrorist groups.

Upon surrendering his weapons, the deserter assured the zone military authorities that his decision was linked to the political situation that currently prevails in Nicaragua, following the defeat suffered by Daniel Ortega in the 25 February elections.

With the change of government, he said, surely all the support in weapons, money, and other aid that was sent by the FSLN [Sandinist National Liberation Front] will no longer be available for the FDR [Revolutionary Democratic Front]-FMLN; therefore, they will not have the means to continue fighting the Salvadoran Government and Armed Forces. "Only Fidel Castro remains, he said, but it will be much more difficult and costly for him to send war material to aid subversive activities."

He added that he doubted that the Cuban dictator has sufficient resources to meet these expenses and that no matter how fanatical he is, without the Soviet support he will not be able to send what the FDR-FMLN needs to continue the armed struggle. He also said that many FMLN fighters like him are deserting for the same reason. Also, they are deserting because of the continuous deterioration of the communist ranks, which have recently sustained many casualties inflicted by the Armed Forces and government. As if this were not enough, he said, he is convinced that the people want nothing to do with the extremist groups; they have

turned their backs on them in all aspects. "Consequently, to continue to fight would be tantamount to walking to one's death, which arrives inevitably at any moment," he stated.

Armed Forces Fear FSLN May Resupply FMLN

PA0203201790 San Salvador Canal Doce
Television in Spanish 0300 GMT 1 Mar 90

[Text] The Armed Forces, fearing that the Sandinist National Liberation Front [FSLN] may send arms to the FMLN [Farabundo Marti National Liberation Front] before handing over power in Nicaragua, are implementing special territorial surveillance operations. This was reported to the international media today by an unidentified Army spokesman.

According to the report, the Armed Forces have indications the Sandinists plan to send large amounts of weapons to the FMLN before 25 April. The informant added that to prevent the flow of these supplies, the Army is carrying out a strategic surveillance plan of Salvadoran coasts and borders that will be maintained over the next two months. According to the spokesman, this surveillance operation involves two infantry brigades, one military detachment, one rapid deployment battalion, as well as National Navy troops.

Guatemala

Guerrilla, Army Clashes Reported in Sacatepequez

PA0303222990 Guatemala City Teleonce Television
in Spanish 0400 GMT 2 Mar 90

[Text] The guerrillas harassed the Army on 1 March in the mountains near San Juan del Obispo, six km from Antigua, Guatemala. This took place at (Cara Mona Farm), [name indistinct], and (El Atiario). On 28 February, five Army armored vehicles, which were deployed to the area and to San Juan del Obispo in particular, brought the situation under control.

A guerrilla presence has been apparent in Sacatepequez Department over the past five days. On 25 February, there were fierce clashes between subversives and the Army in the same region, where on 1 March a guerrilla mobilization was detected in San Miguel Milpas Altas Municipality. Two soldiers were wounded and the guerrillas sustained an undetermined number of casualties.

Early this week, in Santa Maria de Jesus, a military patrol was attacked with RPG-2 rocket launchers, but a rocket hit a house, killing two children and injuring two others.

The Army's Public Relations Office confirmed on 1 March that the region is under Army control.

Nicaragua

Ramirez, Lacayo Go to Caracas for Discussions

PA0403043790 Hamburg DPA in Spanish 0144 GMT
4 Mar 90

[Text] Managua, 3 Mar (DPA)—Vice President Sergio Ramirez and Antonio Lacayo, representing the National Opposition Union [UNO] traveled to Caracas today to continue negotiations on the transfer of power.

Venezuelan President Carlos Andres Perez will mediate in the negotiations.

UNO is demanding control of the Army and the security organizations. The Sandinist National Liberation Front [FSLN], which will leave power on 25 April, demands the "contras" demobilization and the guarantee that the political constitution approved in 1985 will prevail, warning that otherwise, the country would slip into civil war.

However, UNO announced that it will appoint a civilian as defense minister, but the constitution calls for a chief of the Armed Forces.

Six days ago, UNO and the Daniel Ortega agreed to begin negotiations for the transfer of power, with the assistance of OAS and United Nations observers and former U.S. President Jimmy Carter. Since the talks began, neither one of the parties has reported on any development.

Contra Commander Views Cease-Fire, Demobilization

PA0203151890 Tegucigalpa Voz de Honduras
Network in Spanish 1145 GMT 1 Mar 90

[Interview with contra Commander Franklin, Israel Galeano, by unidentified reporter; date and place not given—recorded]

[Text] [Galeano] We have maintained a strict position regarding our observance of a unilateral cease-fire. We clearly demonstrated to the international observers who were able to monitor the electoral process in Nicaragua that we maintain this position and that we were not an obstacle. There is all the more reason for the Sandinist National Liberation Front [FSLN] to observe an absolute cease-fire now, and it should be watched by the international organizations like the OAS, the United Nations, and organizations from the various nations wishing to support the struggle for freedom in Nicaragua.

[Unidentified reporter] Commander Franklin, Dona Violeta called for demobilization [14-second break in reception].

[Galeano, in progress] ...for democracy to exist in Nicaragua. The fact that our active force was instrumental in achieving the process that culminated with Dona Violeta's election on 25 February has not been taken into account. I think the next step should be a complete

demilitarization of Nicaragua, and not of the RN [Nicaraguan Resistance] exclusively.

[Reporter] However, is there any RN negotiating commission?

[Galeano] The RN has a negotiating commission and this commission must discuss all of these matters, like the demobilization, with the CIAV [International Support and Verification Commission] or any other institution dealing with these matters. It can also talk with Dona Violeta.

[Reporter] When you talk of demobilization through negotiation, does this mean the RN negotiating commission would talk with the new Nicaraguan president?

[Galeano] The president-elect must bear in mind that we are a vital part not only of the nation's development but also of social problems in Nicaragua, and that we have struggled to redress those problems.

[Reporter] Commander Franklin, the Sandinist regime has said that the transfer of power must be achieved after you demobilize.

[Galeano] The Sandinist regime should not be making demands. The Nicaraguan people rejected it when they elected Dona Violeta as the new president. [Word indistinct] We have a mixed commission ready to meet and negotiate with Dona Violeta and to discuss the matter of the demobilization later.

[Reporter] How many RN fighters have been maimed in the war, Commander Franklin?

[Galeano] We have over 2,000 maimed fighters.

[Reporter] Would this be one of the points to discuss with the new government, that is, with Dona Violeta?

[Galeano] There are many matters to discuss. However, the main ones are the guarantees and the certainty that a sound program will be established to help those thousands of war maimed, and this includes those of both sides because they are all Nicaraguans.

Contras Take Steps Needed for Demobilization

PA0403191190 Hamburg DPA in Spanish 1704 GMT
4 Mar 90

[Text] Tegucigalpa, 4 Mar (DPA)—The Nicaraguan contras announced today that they will surrender their weapons to the new government that is to be installed in their country on 25 April, and revealed that it has already "begun to take the necessary steps for demobilization."

Similarly, the contras are demanding the demilitarization of Nicaragua, so both the Sandinist and contra armies disappear. The contras proposed the "creation of a civilian police force" instead.

The contras' position is contained in a communique issued by the organization and delivered to DPA in Tegucigalpa.

The contras issued their position after talking with U.S. special envoy Harry Schlaudeman on 2 March. The U.S. official emphasized to the rebel leaders Washington's position that the rebel struggle is over and all that remains is for their forces to demobilize.

The contras have been stationed in Honduras since the early 1980's, when they began their struggle against the Sandinist government, encouraged by the administration of Ronald Reagan, which was in power at the time in the United States.

The Nicaraguan Resistance, the contras' official name, said it will support the new government headed by Violeta Barrios de Chamorro, who defeated current Nicaraguan President Daniel Ortega Saavedra one week ago.

The contras admitted that in the new situation, they must exchange their role as an insurgent army for new civic and political activity. In view of this, they began their demobilization process, which will encompass 12,000 troops in Honduras and 5,000 fighters inside Nicaragua, as well as the families of the troops.

The communique indicated that the electoral triumph over the Sandinists is an opportunity to avoid sacrifice and bloodshed.

UNO Reaffirms Rights, Disapproves of Violence

PA0203200690 Managua Radio Corporacion
in Spanish 1200 GMT 2 Mar 90

[Communique issued by the National Opposition Union, UNO, Political Council on 1 March; place not given]

[Text] As a result of votes cast by the Nicaraguan people in elections held on 25 February, Dr. Mariano Fiallos Oyanguren, president of the Supreme Electoral Tribunal [CSE], officially declared the victory of the Violeta Barrios de Chamorro - Virgilio Godoy Reyes presidential slate, and their candidates for the National Assembly and the municipal councils.

As a result of that statement, President Daniel Ortega Saavedra proceeded to recognize the electoral victory of the National Opposition Union, UNO. Contrary to these official events, some FSLN [Sandinist National Liberation Front] supporters have voiced disagreement and a desire to rebel against the sovereign will of the people, and—as a result of this—groups of mobs have physically attacked people, threatened people, and, in general, intimidated the Nicaraguan people.

To this effect, some have been killed and injured, some party offices have been destroyed and set on fire, and there has been harassment, persecution, and imprisonment of UNO party activities and representatives.

We denounce the distribution of weapons among fanatics of the FSLN, an act which jeopardizes social stability in our country. The development of these events seriously concerns us, and the people promoting such actions are doing so based on lies and distortions of the program and the platform of the UNO government of national salvation. The UNO National Political Council reaffirms before the Nicaraguan people that its government platform is the authentic program for the national salvation of Nicaragua. This program categorically establishes the guarantees and necessary rights for the four forms of ownership in our country: state ownership, private ownership, cooperative ownership, and mixed ownership.

Likewise, UNO reaffirms all rights that guarantee the sacred interests of the various social sectors of our suffering and beloved Nicaraguan people. The UNO National Political Council disapproves of all statements, proclamations, or reports that contradict the civic, democratic, patriotic, and progressive content of its program of national salvation, and it guarantees the implementation of its government platform to the people.

The UNO National Political Council calls on the people who voted for the FSLN candidates not to allow themselves to be manipulated even further, as those who insist on continuing to use them as docile instruments promote only war, inflation, meager salaries, the economic ruin of the country, and disaster and social misery. To appear to be representatives of the people, they are also desperately taking up UNO demands. In this manner, they again use them against their own brothers to defend their wealth, amassed under the protection of power, and thus continue to enjoy the profitable privileges they have created for themselves. We also denounce the merciless depletion of capital taking place in this period of transition in the state enterprises and institutions.

In conclusion, we want to state that our government will not carry out any evictions or expropriations of rural or city property. Consequently, both the urban land settlements as well as the ownership of land in the rural areas will be respected and given just and priority attention.

Likewise, public employees should not fear they will be dismissed. Furthermore, we urge them to protect, as of now, the property of the state. Managua, 1 March 1990, UNO National Political Council.

Ortega To Go to Chile for Aylwin Inauguration

*FL0303001190 Mexico City NOTIMEX in Spanish
2343 GMT 2 Mar 90*

[Text] Managua, 2 Mar (NOTIMEX)—President Daniel Ortega will travel to Chile to attend the swearing-in of Chilean President-Elect Patricio Aylwin. According to official sources, the Nicaraguan president will be in Chile during the exchange of power on 11 March. However, they did not specify the date that Ortega will travel or the length of his trip.

It was also reported that Mexican opposition leader Cuauhtemoc Cardenas, general coordinator of the Party of the Democratic Revolution (PRD), will meet with Ortega here on 8 March.

According to political reports, Cardenas will express his solidarity to Ortega after the defeat suffered by the Sandinist National Liberation Front during the 25 February elections.

Meanwhile, Defense Minister Humberto Ortega will travel to Venezuela next weekend to meet with President Carlos Andres Perez and analyze the transfer of power in Nicaragua.

Ortega Addresses 'Internationalists' 28 Feb

*PA0303171590 Managua BARRICADA in Spanish
1 Mar 90 p 3*

[Speech by President Daniel Ortega to "internationalists" who have cooperated with the Sandinist regime during its decade of revolution; on 28 February; place not given]

[Text] When we fought the revolution, we seriously intended to construct a new democracy, develop a mixed economy, and apply an international nonalignment policy. During all these years, however, the Sandinist National Liberation Front [FSLN] was not permitted to demonstrate its ability to govern under normal conditions.

A policy of economic attrition, embargo, blockade by multilateral organizations, and death through the contras was maintained to the very last. Although this U.S. project to destroy the revolution has failed, there were and still are thousands of armed men capable of inflicting great harm on the Nicaraguan people.

These are the two main ingredients in the war unleashed against a very small nation with a very fragile economy and very limited international support. The forces of solidarity that you represent are forces that have been truly linked to the Nicaraguan people's struggle in the international field. Although this solidarity is limited from a material viewpoint, it has been complete, and the moral support for our people has led many internationalists to give their lives in Nicaragua.

The principle we have advocated is the establishment of democracy for the first time in Nicaragua's history, beginning with the profound changes achieved in this country in 1979. The groundwork to develop and reinforce economic, social, and political democracy was laid down that year.

Had the FSLN won the 25 February elections, it is true that all of us would be very happy, but the Nicaraguan revolution would still be questioned. It would have been said that we won the elections "because we are totalitarian" and because we instill "terror" in people. Nevertheless, the best proof of democracy that the revolution and the FSLN can offer is that elections were held and that

we have admitted that the majority of the people voted for forces other than the FSLN.

Why do we say the FSLN continues to be the majority party in Nicaragua? The FSLN managed to capture, under very adverse and disadvantageous conditions, 40 percent of the vote. Yesterday, I told an enraged group of people who had shouted that those who voted for the opposition had sold out and had committed treason, that the people never betray, that the people can make mistakes, and that part of the population was faced with two proposals—the FSLN proposal that everything would be better and the opposition's proposal that everything would be better.

The people who voted for UNO [National Opposition Union] did not vote for the counterrevolution, neither did they vote for the warmongering U.S. policies against Nicaragua. Are we going to consider it a defeat against the revolution that the FSLN did not win most of the votes in these elections? I am certain that we cannot consider this a defeat of the revolution. To the contrary, this has tested the Nicaraguan revolution's maximum political, democratic, and peaceful will (applause).

Most of the population decided to test UNO's promise to resolve the economic problem and the social problem, to solve the problems that the revolution—amid great disadvantage—has been unable to. UNO will have the opportunity to test its government program. We, the Sandinists, in opposition, have a duty to safeguard the people's rights and revolutionary conquests.

The UNO government will receive our support if it carries out patriotic politics, defends national interests, and carries out constructive policies. However, if they do the opposite of what they have promised, we will not be able to back these actions. I am sure that those who voted for them will be the first to feel unrepresented. Those votes will then stop being UNO's and will again return to the FSLN.

We are faced with a hard test of the full exercise of democracy, where antagonistic forces can truly fight battles in a civic way in political and ideological fields. Not only will the UNO leaders have great responsibility in all this, but the United States will also.

The United States must respect the basic conquests achieved by the Nicaraguan revolution. The United States cannot think that because the opposition has won, the time has come to eliminate the Nicaraguan revolution.

The United States would then be making the very serious mistake of provoking a major confrontation in Nicaragua; they would once more be imposing a war upon this country. The revolution's basic conquests have created these conditions that have even allowed political

forces to govern, which previously, under other circumstances, never could have governed. These firm revolutionary bases cannot be removed or affected because this would be chaotic for all Nicaraguans and for national interests.

We, the Sandinists, the militant Sandinists, together with the people, will be there to guard and defend these basic conquests and will be an opposition force—a collective but belligerent force. Nor can I see any reason why here in Nicaragua, opportunities to brother internationalists should close. These are brothers from Latin America, Europe, the United States, Canada, and other parts of the world who wish to express their solidarity with the FSLN, who wish to demonstrate their solidarity to the Nicaraguan people.

In the same way there has been broad opportunity for the U.S. Government to financially and politically support their political forces; in the same way there has been freedom for thousands of people to enter and leave—senators, congressmen, politicians from Latin America and all parts of the world who have had the freedom to come to Nicaragua and speak in favor of the opposition, to speak against the revolution and the FSLN, right here in the country; in the same way they have had this opportunity, we, the Sandinists are going to defend this from below so you may have the right to be in Nicaragua with us, giving us your solidarity the way you have been offering it all these years.

The FSLN has an obligation, not only to the 40 percent of Nicaraguans of all social levels who voted for the FSLN, but to those other sectors of the population that voted for the opposition in the hope that Nicaragua would continue to be independent, but would also improve economically and socially.

The struggle for us Sandinists is to defend the people's interests, which are the same. In other words, the interests of the population that voted for the FSLN are the same as those who voted for UNO, because both wish for economic well-being, social well-being, freedom of speech, and freedom of movement. The FSLN will continue to struggle so the conquests achieved by the revolution are respected. We are going to struggle so none of this revolutionary process is reversed in any way, and we will be there with the people leading this battle to strengthen democracy—a battle, which, if properly led, should be no reason for concern. On the contrary, it would please us to be part of a consolidation and stability process for democracy in Nicaragua.

I have received a letter from the U.S. President, which was written in a very constructive tone. I expect the U.S. policy to take into consideration the reality of the revolutionary changes and important transformations taking place in Nicaragua, among a courageous people with a sense of national dignity, to apply a constructive, rather than a destructive, policy.

After so many sacrifices, deaths, struggles, and efforts, as we culminate one decade of revolution, when peace and

the consolidation of democracy are within our reach, it would be truly tragic for the revolutionary process to be dismantled because of intransigency and lack of flexibility, pragmatism, and realism. We the Sandinists and the Nicaraguan people will never permit this.

We will continue to hold our "Face the People" rallies in the barrios, manufacturing plants, and towns, but now under better conditions than those prior to 19 July 1979, when we were forced to work clandestinely, persecuted by the National Guard, to talk with the people. The rights we have achieved—freedom of organization, to go where we please, to strike, of expression—cannot be eliminated. Using democracy and the political opportunity won by the revolution, we, the Sandinists, are going to settle ourselves in the hearts of the people to keep defending their achievements, and are going to advocate changes that favor employees, workers, peasants, cooperatives, and small-scale, medium-scale, and large-scale producers.

We will continue to defend the interests of all Nicaraguans with the conviction and certainty that the country will be stabilized to the extent that a civil war will not break out here because of venturesome, radical, and absurd stands. No one is interested in such a war in this country anymore.

Internationalist brothers, you can rest assured, as the Nicaraguan people are completely sure, that this revolution was not betrayed, even though the FSLN was outvoted on 25 February.

The revolution told the people that there are alternatives. For this reason, we cannot now say that the revolution was betrayed. I repeat. Simply, one sector of the population voted for an alternative organization that made promises under great U.S. Government pressure. The fact that part of the people voted for UNO does not mean that the revolution has been betrayed by this sector of the people. I believe that the UNO leaders also are aware that it is impossible to reverse all the economic and social achievements.

The revolution cannot be liquidated because it was not betrayed. The day a mistaken attempt is made to try to liquidate and disable this revolution, the people and the FSLN would exercise their full rights to prevent the revolution from being disabled, betrayed, and destroyed.

This new situation tests those of us who have been struggling in Nicaragua and those who have expressed their solidarity with the people. This situation tests us and drives us to multiply our efforts, actions, and presence to counteract the forces that will surely try to undo this revolutionary process. First the Nicaraguan people, then FSLN members, and the international solidarity of friendly peoples will determine whether the revolution will pass this test of fire and whether it will be demonstrated, as I am convinced it will, that we have and will continue to have a true revolution that cannot stop and must constantly transform, reinforce, and criticize itself.

I believe and trust that all of you, who have lived among these people for these past years, have won the right to share this country with the people who need you now more than ever. I repeat. We will defend your right to be here with the Nicaraguan people.

Long live international solidarity!....Viva!

Long live the peoples of the world!....Vivan!

Long live the Sandinist people's revolution!....Viva!

Long live free Nicaragua!....Viva!

Long live the FSLN!....Viva!

Long live Sandino!....Viva!

Free homeland or death!

Ortega Cites Need To Defend Right to Peace

PA0503132790 Managua Domestic Service
in Spanish 1200 GMT 5 Mar 90

[Text] The residents of the districts of Larreinaga and San Luis received President Daniel Ortega yesterday with an ovation when he arrived at the church in that area, where Father Antonio Castro and nine other priests officiated at a mass that was not devoted to President Ortega but to his desire for peace and reconciliation alongside the Nicaraguan people. Despite the results of the electoral process, he maintains the initiative and the attitude of governing as a revolutionary and a Sandinist on behalf of the Nicaraguan people:

President Ortega said:

[Begin Ortega recording] I have been listening attentively to the priests' words. They reminded us of the temptation of Christ during his long fast in the desert and the temptation at the time of Christ's most painful suffering on the cross, which was also a time of resurrection. I can affirm that during these past 10 years the Nicaraguan people have been subjected to a temptation represented by the war imposed by the United States, the U.S. economic embargo, the mining of our ports, the denial of the right to life, to economic development, to social development, so they and the Sandinist [National Liberation] Front [FSLN] would yield to that temptation and surrender.

Brothers, the Nicaraguan people have not surrendered. They have not budged even though their dignity, patriotism, love for peace, and love for reconciliation are being put to the harshest test ever. All of us Nicaraguans, including the people who voted for the FSLN, the people who voted for other parties, are being put to the test of achieving peace and eradicating hatred and revenge. They are being tempted so all our sacrifices of these past years, the blood of our heroes and martyrs, the blood spilled before and after the victory of the revolution, will have been in vain.

My brothers, we are morally obligated, as Nicaraguans and Christians, to defend the right to a worthy peace for all Nicaraguans. Then, brothers, just as Christ, just as Christ [repeats himself] rose from the dead after the crucifixion, so all of us Nicaraguans will rise after this long sacrifice. [end recording]

Chamorro's Chief Adviser Describes Plans

PA0203185090 Paris AFP in Spanish 1049 GMT
2 Mar 90

[Interview with Violeta Chamorro's adviser Alfredo Cesar by Jose Zaldua on 28 February; place not given]

[Text] Managua, 2 Mar (AFP)—Alfredo Cesar, chief adviser to President-elect Violeta de Chamorro, said on 28 February that the new Nicaraguan Government will ask the USSR to maintain oil supplies for at least a few more years; however, relations with Cuba will be immediately reviewed. Cesar, who is a former Central Bank of Nicaragua director, former contra board member, and considered virtually the parliament president for the new government, has a reputation of being a skillful negotiator and is known for having "good contacts" in the international, political, and financial world. In a long interview with AFP, this 38-year-old lawyer praised his political rival, President Daniel Ortega, for accepting the change in government, which he considered "admirable and worthy of praise."

[Zaldua] What is being negotiated between the Sandinist National Liberation Front [FSLN] and the victorious National Opposition Union [UNO]?

[Cesar] The transition teams have been agreeing on an orderly way to transfer power on 25 April. Nothing else is being negotiated. Obviously, the fact that the outgoing government has designated General Humberto Ortega, minister of Defense and chief of the Armed Forces, to lead the FSLN's transition team confirms that, for them, the most sensitive problem is the Army. However, these teams are also negotiating other matters, not just the military.

[Zaldua] What will become of the State Security (secret police)?

[Cesar] To be frank, we are not sure yet; we do not have enough information. The transition team's first task is to find out how many people work there, who these people are, and how they operate. After that, we will seek foreign assistance on this topic and on the Army. Perhaps the United Nations or some other similar organization can help us evaluate our country's true needs. Then, we shall obviously have to decrease the size of the Army and the State Security because the need for intelligence and counterintelligence will be lessened. Everything will require a drastic reduction.

[Zaldua] What will happen to the officers?

[Cesar] Their numbers will also have to be reduced and in deciding who will remain, we will take into account

who the best officers in the country are. However, the minister will have to be a civilian.

[Zaldua] What about the contras?

[Cesar] We believe they should disarm and rejoin civilian life. However, as Nicaraguan citizens, they can aspire to a professional military career. Under no circumstances are we talking about merging the contras and the Sandinist People's Army.

[Zaldua] What economic plans will pursue once you have assumed power?

[Cesar] Our program has three clearly defined aspects. During the first 100 days of government, as an emergency measure, we shall take all steps to fight inflation. This means tax and monetary adjustments and abolishing regulations that are hindering production. In other words, a host of measures will be put into effect to abate inflation during the first 100 days. The other main aspect is reactivating the economy, which must begin with the upcoming agricultural cycle. We will base the economic recovery on the prerevolutionary levels of agricultural and cattle production development. The last aspect is long-range: Recovery of the established economy to modernize the economic apparatus. Obviously, for the first two aspects, we shall need substantial foreign aid to succeed.

[Zaldua] Are your oil supplies guaranteed for the whole year?

[Cesar] To tell you the truth, I do not know. We shall ask the current government. We shall ask the USSR to keep the same oil policy it had with the Sandinist government—at least, for the time being. I believe it would be a contribution to peace if the Soviets continued this aid, at least for a few years, to allow us to breathe. We already have confirmation that both Mexico and Venezuela are willing to resume talks on the San Jose Pact (for preferential oil supply to Central American and Caribbean countries).

[Zaldua] What will be your foreign policy?

[Cesar] We want relations with all of the world, but will carefully review relations with Cuba. I believe that this is the first problem that we will face and the decision will be made by the president after all information has been received.

[Zaldua] Connected to this, guerrillas seem to be in several countries, what will you do about it? [No response as received]

Bishops Issue Communique on Election Results

PA0203230390 Managua Radio Corporacion
in Spanish 1200 GMT 2 Mar 90

[Communique issued by the Nicaraguan Bishops Conference on 1 March; place not given]

[Text] Dear brethren, now that the electoral campaign has concluded and the 25 February elections have been held, we, the bishops of the Nicaraguan Bishops Conference [CEN], invoke divine assistance through the Virgin Mary and hereby address all of our Catholic faithful and all people of goodwill in our country to announce the following:

1. We admit that, in general terms, the electoral process and the elections were held in an honest manner; therefore, the results of the elections should be recognized by all as the expression of the free will of the people.

2. We are pleased with the political maturity of the Nicaraguan people and the civic example they set by casting their votes, thus expressing their desire to solve their problems through civic means.

3. We congratulate the authorities of the current government for the efforts they made so the elections could be held in an orderly fashion, as well as for their democratic attitude by accepting the election results. We also congratulate the authorities of the new government with the hope that the mutual respect between the Church and the state will contribute to the well-being of the Nicaraguan people.

Now is an appropriate time to remind those who have been elected that they are called upon to serve and not to be served, and those who have lost must assume their role as the legitimate opposition with responsibility and without any resentment. This last statement was included in the CEN guidelines issued on 15 February 1990 concerning the 25 February 1990 elections.

4. It is urgent and necessary to put an end to the war activities, and, to do that, we urge the current and incoming governments to seek, along with the armed resistance, the means so the members of the resistance can rejoin civilian life. The current government should turn over each and every branch of power that belongs to the new democratically elected government. All of this should be done with a sincere wish to construct our fatherland.

5. We condemn the violent actions carried out by some people who were dissatisfied with the results of the elections. We urge these people to act prudently and to put the well-being of Nicaragua above any ideology or party interests. It is time to promote fraternity and respect among all Nicaraguans and to stop encouraging hatred.

6. Since this is such an important time of transition, and since there are still some unsolved problems regarding the peaceful transfer of power and establishing the bases for real national reconciliation, we invite all to pray and carry out acts of charity and penitence. We are encouraged by the season of Lent, during which we prepare for Easter.

Managua, 1 March 1990 [Signed] Monsignor Salvador Schlaefter, bishop of Bluefields, CEN president;

Monsignor Julian Barni, bishop of Leon;

Monsignor Pedro Vilchez, bishop of Jinotega;

Monsignor Juan Abelardo Mata, auxiliary bishop of Managua;

Monsignor Leopoldo Brenes, auxiliary bishop of Managua;

Cardinal Miguel Obando y Bravo, archbishop of Managua;

Monsignor Leovigildo Lopez, bishop of Granada;

Monsignor Carlos Santi, bishop of Matagalpa, CEN vice president;

Monsignor Bosco Vivas Robelo, auxiliary bishop of Managua, CEN secretary

'Analysts' View UNO Factions in Assembly

PA0503041790 Managua BARRICADA in Spanish
2 Mar 90 pp 1, 4

[Article by Roberto Larios]

[Text] A solid Sandinist faction, against five parliamentary groups forming the pro-government faction supporting the Violeta Barrios' government, is forecast in the new National Assembly, according to the experts.

Twelve deputies from three liberal groups, 12 social Christians, 11 conservatives, eight social democrats, including six from "the left" and two that are "manageable" from the PIAC [Central American Integrationist Party] will confront the solid Sandinist Party, which has the tremendous political experience of its faction leader, Commander Daniel Ortega. Commander Carlos Nunez, current president of the National Assembly, might become first vice president of the assembly leadership.

The big losers within UNO [National Opposition Union] turned out to be the conservative parties. They were sacrificed to benefit the minority and only obtained 11 seats, less than 12 percent of the total. The National Conservative Party [PNC] of Dr. Silvano Matamoros was particularly affected and only obtained five seats, and thus became the minority group within the alliance, very far below the other parties such as the PLI [Independent Liberal Party] and the PDCN [National Democratic Confidence Party].

Although it is believed that well known conservatives who were left out of the National Assembly, such as Matamoros himself and Dr. Emilio Alvarez Montalvan, might be "rewarded" with important posts in Violeta Barrios' cabinet, it is taken for granted that with such a small representation in parliament, the PNC has been sacrificed as an ideological group without any future in Nicaragua.

The internal amalgamation of ideological trends within the pro-government faction will make it very difficult to

approve rightist laws that run counter to the people's interest, which is probably what the ultraconservative parties will try to promote, according to sociologist Oscar Rene Vargas.

Vargas did not rule out the possibility that some of the pro-government factions, particularly those having workers among their rank and file—such as the Communist Party of Nicaragua [PCdN], the Nicaraguan Socialist Party [PSN], and the PDCN—might adopt common stands with the deputies of the Sandinist National Liberation Front [FSLN] when the assembly discusses certain issues, such as the new labor code, for example.

For example, the same number of ideological groups that are so opposed—for example, the conservatives and the liberals or the rightists and the communists—and the serious personal differences among its "leaders" will entail great internal clashes within the pro-government faction. Evidence of this is the fact there is a dispute within the alliance regarding the nomination for president of the National Assembly.

While the so-called "Political Council" of UNO proposes the nomination of Adan Fletes, the team of Violeta Barrios' advisers—led by her campaign chief, Antonio Lacayo—proposes the nomination of Alfredo Cesar.

This dispute could be explained—according to the analysts—by the differences voiced during the campaign between Mrs. Barrios' group and the "Political Council." Fletes' nomination could represent a serious obstacle to the good relationship between the executive branch and the legislative branch.

On the other hand, and particularly in view of the economic interests swirling around Dona Violeta's team of advisers, Alfredo Cesar might become an effective interlocutor between the business sector and the U.S. Government, because of his connections with these two powers.

The analysts have not ruled out the possibility that in the next few days there might be a third candidate, proposed by Virgilio Godoy, who—being restricted to the vice presidency—might be left out of the vital economic aspects of the government program and just assigned, along with his parties, to the social aspects.

This third candidate might be Jaime Bonilla, who, even though he does not have the "stature" of Cesar and Fletes, could be used by Virgilio to negotiate better opportunities for his group in the cabinet. In this manner, Godoy could become the great voter within this dispute.

Former Candidates Comment on Role of Armed Forces
PA0503032590 Managua Radio Sandino in Spanish
1930 GMT 28 Feb 90

[Text] Three former presidential candidates who opposed the Sandinist National Liberation Front

[FSLN] in the recent elections have agreed that the Armed Forces should remain in the hands of the Sandinists, as this would contribute to stability in Nicaragua.

Attempts to change the command structures of the Sandinist Armed Forces would facilitate a climate of war in the country, said Dr. Eduardo Molina Palacios, Democratic Conservative Party of Nicaragua [PCdN] former presidential candidate.

[Begin recording] [Molina] I trust that the maturity of both the winner and the FSLN will ease a peaceful government transition. I think President Daniel Ortega, in his speech on 27 February, expressed great maturity and a deep democratic conviction by accepting the FSLN's defeat and by accepting the fact that the country's future is in the hands of Dona Violeta's National Opposition Union [UNO] government. Thus, when a reporter from EL NUEVO DIARIO reporter asked me about this, I told him that I trusted the maturity of both sides.

I believe Nicaragua is already prepared for this transition and that the FSLN, by accepting its defeat, has shown great maturity, which it must continue to demonstrate. In this way, the transfer of power can be done in true peace, which we Nicaraguans desire. Let there not be a spirit of arrogance because of the victory. Quite the opposite, let us all, the Sandinists and UNO, march together in the country's true reconstruction. The vessel of peace and reconstruction will thus be able to sail in calm waters and successfully arrive at the port of progress for the Nicaraguan people's healthy development.

[Unidentified reporter] Dr. Molina, is it true that in UNO there are recalcitrant individuals both from the right-wing and the defunct National Guard of Anastasio Somoza? Do you think there could be a bloodbath in Nicaragua as a result of a desire for revenge in these individuals if these people take over the Army and the Ministry of the Interior?

[Molina] I think UNO must plant its feet firmly on the ground and begin to think as statesman. In addition, if they favor a climate of war, they would be held responsible in the eyes of history. The most important thing is for them to be mature. We hope they will be guided by God so a peaceful transition can occur. The idea is not to break an established order. UNO has to respect the established order and think as true statesmen. I think they should not make any irresponsible decisions. Any changes in the Army or the police should be dealt with in time and amid healthy negotiations between the parties involved. I do not think it is necessary to have a war at the outset to determine who will control the Army or police. What really counts is the civilian power controlling the military power. So far, the FSLN has said it will relinquish control. In other words, the Sandinist military men are willing to accept the rule of the civilian power, just as Commander Daniel Ortega said.

[Reporter] Do you think the retention of the Sandinists in the Defense and Interior Ministries can guarantee relative peace in the country?

[Molina] Yes. The Sandinists have guaranteed that the transition will take place peacefully. I hope this will be handled carefully and that efforts in this manner will prevent the possibility of the military ousting the civilian government. I think [words indistinct] and all of the other UNO parties have serious leaders, who know that the most important thing is for civilian power to prevail over military power. So far, those who hold military power have expressed a willingness to obey the civilian power. So there is no reason for any immediate changes in the military. Such changes should be made in the future and only after careful consideration. The most important thing is to give the Nicaraguan people the peace they require at this moment. [end recording]

To let the former Somoza guards and other Somoza followers who are embedded in UNO take over the Defense and Interior Ministries would be a serious error, said Erick Ramirez, former Social Christian Party [PSC] presidential candidate.

[Begin recording] [Ramirez] I think the important thing is that a decisive step toward the country's democratization has been taken. This indicates that the Nicaraguan people really wanted a stable system, peace, tranquillity, and above all, national reconciliation. I think the joint effort of all sectors should immediately be called upon, now that the electoral campaign has ended, so the political parties, the entrepreneurs, and workers can immediately begin grappling the problem of reconstructing Nicaragua. It is necessary, with a high degree of responsibility and civic-mindedness, for all of us to work so Nicaragua can forge ahead.

[Reporter] Bearing in mind that Sandinism is a reality in the country, what do you think the relations between UNO and the FSLN will be?

[Ramirez] I think the important thing is to keep the country in mind while we work. The FSLN should take a constructive stand. The mere fact that they admitted to the election results and that the country is calm at this time, indicates that they will act as an orienting, positive force in the parliament. I feel optimistic. I think the party waged a good campaign. We helped establish political pluralism in this country in the search for democracy. In general, this should be the attitude of all parties from now on.

[Reporter] Do you think the opposition's leadership, in this case Dona Violeta, can check the desire of some recalcitrant UNO members for revenge?

[Ramirez] If these individuals act like that, the people will realize at once that they voted for some who did not want peace for Nicaragua. I think those who are still planning to pass the buck, so to speak, or take personal revenge are making a serious mistake that can only lead

the country to unrest. I think such an attitude should be forgotten; there is no room for such personal revenge.

[Reporter] What do you think about the FSLN's controlling the Army and the Interior Ministry after power has been handed over to UNO?

[Ramirez] I think things are on the way to normalization, now that the danger associated with the Honduras-based contras has been curbed. As a result, the role of the Armed Forces and the Ministry of the Interior can be reduced. Their power and influence will diminish. There will be room for a process in which both the Armed Forces, the police, and the Ministry of the Interior will be in the hands of civilians. This will help greatly in the transition to the final democracy to which we all aspire.

[Reporter] Do you think Somozism and the remains of the National Guard, and those who led the counterrevolution in Nicaragua, will again take over the Army and the Ministry of the Interior?

[Ramirez] Of course the FSLN would be making a mistake if it let this happen. We are moving toward Nicaragua's future and reconstruction. If these forces from the past try again to establish all of those privileges from which a group close to the ruling powers profited, by leaving the majority behind and without any possibility of improvement, we would have gone backward instead of forward. The people will turn their backs on all of those who are thinking like this. This in turn might become a destabilization factor in Nicaragua. [end recording]

Ministry Denies Firing at UNO Member's Home

PA0503123890 Managua Domestic Service
in Spanish 1200 GMT 5 Mar 90

[Text] The Defense Ministry has described as false reports by the daily newspaper LA PRENSA that two helicopters of the Sandinist Air Force [FAS] fired rockets at the home of an UNO [National Opposition Union] activist in Jinotega and wounded two children. On 3 March, LA PRENSA banner-headlined a report saying that FAS helicopters fired rockets at the homes of opposition members. However, spokesmen for the Defense Ministry said that the charge is completely false.

The report prompted Cardinal Miguel Obando y Bravo to ask for a halt to violence. Prior to that, Defense Ministry spokesmen had reported that the police are conducting the required investigation. Attacks against civilians from helicopters were a common practice by members of Somoza's National Guard.

FSLN Reportedly To Distribute 300,000 Rifles

PA0303181290 Managua Radio Sandino in Spanish
1200 GMT 28 Feb 90

[Text] Jinotega—Freddy Guevara, member of the Sandinist National Liberation Front [FSLN] regional committee, has announced that the FSLN will distribute over

300,000 rifles to the Nicaraguan people so they can defend their achievements. Guevara made the announcement to over 5,000 people from Jinotega who met at the Sandinist Workers' Central in Jinotega. Guevara announced that a group of 500 armed fighters, called the 25 February Contingent, has been formed to counter the UNO [National Opposition Union] attacks.

During the same assembly, Jose Maria Paguada angrily stated that the results of vote counting by the Supreme Electoral Council does not mean the FSLN has been eliminated. The FSLN will not disappear because it is the strongest party in this country, and evidence of that is that over 10,000 persons in Jinotega voted for the FSLN.

UNO Sources Comment on Transfer of Power

LD0303110690 Belgrade TANJUG in English
0102 GMT 3 Mar 90

[Text] Managua, March 3 (TANJUG)—Nicaragua is passing through a heavy period of being either in the throes of its political democracy's birth or plunging into a deep abyss of street fighting. At the very moment when emissaries sent by the outgoing and upcoming presidents of Nicaragua, Daniel Ortega and Violeta Barrios de Chamorro respectively, are negotiating on practical details about how to transfer power, invisible and unidentified forces within or around the Sandinista front are pleading for violence.

'I do not believe in a civil war possibly to break out since two sides are needed for it. Sandinist Turbas (groups of young strong-arm men) are cruising the streets seeking a quarrel, but we keep our doors closed,' a sympathiser of the Unidad Nicaraguense Opositora (UNO), an opposition alliance, told TANJUG. The UNO is the force that won power at the elections last Sunday [25 February].

Nobody knows for sure, however, what is coming to pass in Managua just these days and bits of information about goings-on are coming up out of rumours circulating at the same speed as protagonists in Nicaragua's political drama go from a meeting to another one, from coming to terms to negotiations. Two key-actors on Nicaragua's political scene these hot days, Daniel Ortega and Violeta Chamorro, are acting in the same direction, trying hard to curb passions, bring the country through to April 25 and a peaceful transfer of power.

One of the close advisers of the Sandinistas' top circles, after insisting on our not identifying him by name, said that at its plenum immediately after the election defeat the Sandinist Front confirmed the leadership of Daniel Ortega, 46. According to this source, at an eight-hour-long meeting in Managua last Tuesday [27 February] heard were dissonant tones, but, in the end, a consensus was reached on several key-stands concerning something that never happened in the past 150 years in Nicaragua—a peaceful transfer of power.

'We are not ruling out the possibility of a military coup aimed at Daniel and Humberto Ortegas,' an official of the UNO's innermost political top circles told TANJUG.

'Involved are rumours, but not ungrounded ones,' Leopoldo Navarro, a member of the UNO's national commission, something like an 'informal' politbureau of the heterogeneous coalition, added. In Navarro's estimate, existing within the Sandinista Front is a radical group insisting that the Sandinists should reject changes in the army's and police's integrity.

'Such conditions are nonsensical. The Army and police should be adapted to times of peace and Gen. Ortega (defence minister) and Tomas Borge (minister of the interior) should without any dilemma step down,' Navarro said.

In between, Humberto Ortega and the emissary of Violeta Chamorro are negotiating on technical conditions for a transfer of power and ministries.

President Ortega has found himself to be in heavy ordeals and in the days to come cannot help but defend his political integrity and, at the same time, build the foundations for a young political democracy in Nicaragua. If he makes a success of this, Latin America—and not Nicaragua only—will come into the possession of a political leader to the measure of the 'perestroika' times—a ready and able one to come back to power again.

Panama

16 U.S. Servicemen Wounded in Bomb Attack in Bar

PA0303134390 Panama City Circuito RPC Radio
in Spanish 1322 GMT 3 Mar 90

[Text] A strong explosion left at least 19 people injured in a bar in the Panamanian capital that is usually frequented by U.S. military personnel, according to reliable sources.

The explosion, which a source attributed to a bomb thrown from outside the My Place Bar, located on Via Veneto near the Hotel Panama, took place early this morning, shortly before the beginning of the curfew that has been in effect since the military intervention in December.

According to a press agency report, a nurse on duty at the Santo Tomas Hospital confirmed that four wounded people had been admitted to that hospital as a result of the explosion, and more victims were expected.

This morning, a few minutes ago, we talked with a Southern Command source who said that 16 U.S. citizens and three Panamanians were wounded, that the device was thrown through a window, and that most of the injuries sustained consisted of cuts from glass. The source said that the incident is being investigated, and

that so far, the Southern Command remains on Personnel Movement Limitation [PML] Bravo. In other words, the PML status has not changed in the wake of the incident early this morning.

Government Condemns Attack

PA0303175890 Panama City Circuito RPC Radio in Spanish 1729 GMT 3 Mar 90

[Text] The Panamanian Government today condemned last night's attack on a capital city bar that is frequented by U.S. soldiers, in which 16 Americans and 14 Panamanians were wounded. A government spokesman told ACAN-EFE that President Guillermo Endara condemns such actions, which endanger the democratic process, and has promised that the incident will be thoroughly investigated.

The spokesman added that Endara is very concerned about the attack, the first such action since the U.S. military intervention on 20 December, and that Endara met this morning with Ricardo Arias Calderon, first vice president and minister of government and justice, to discuss the situation.

The attack occurred at 2330 on Friday night, when a man threw a bomb inside My Place, a downtown bar, which was occupied by dozens of people, primarily U.S. soldiers and young Panamanian women. So far, the motive of the attack is unknown, and no one has claimed responsibility, according to a brief communique issued this morning by the U.S. Southern Command, which has its headquarters and 13,500 troops in the Republic of Panama.

Attributed to Guerrilla Groups

PA0303211290 Paris AFP in Spanish 1903 GMT 3 Mar 90

[Text] Panama City, 3 Mar (AFP)—The grenade attack that injured 16 U.S. soldiers and 14 Panamanian civilians in a Panama City bar on 2 March could have been perpetrated by either of two subversive groups recently created, police sources said today.

Either the 20 December Movement [M-20] or the Movement for the Liberation of Panama [MLP] could be responsible for the attack in which 14 Panamanians were injured. The existence of both groups was discovered a few days by slogans painted on the walls. The composition of the groups is unknown. The attack, the first since the U.S. military intervention on 20 December which ousted General Manuel Antonio Noriega, took place at midnight at the My Place bar in Panama City's banking area. A black man hurled an explosive device that could have been a fragmentation grenade, eyewitnesses reported.

"There was much confusion, and many people were injured. Some were maimed," one of the witnesses said. He also reported that the attacker stepped out of a brown

car without license plates and hurled the device into the bar. Other witnesses reported two explosive devices.

The pro-government newspaper LA PRENSA has said that M-20 cells operate near San Miguelito, 23 km west of the capital. The movement is presumably composed of former members of the Army and the Dignity Battalions of the ousted Noriega regime.

According to the paper, "strange meetings have been held" in several places in Panama City. In addition, "there are weapons which have been hidden near the Pacific beaches. Some meetings have been held in San Miguelito, where former Panama Defense Forces' members threaten local residents by telling them that a guerilla group called M-20 will soon begin to operate.

The Panamanian Public Force, which replaced Noriega's army, has declared the Vacamonte area, where the country's main port operates, a "red zone" because it reportedly serves as "a sanctuary for alleged guerrillas," according to the area's military chief, Lieutenant Donai Gallardo.

The same source reported that in the hilly area around Vacamonte, 21 km west of Panama City, authorities found tunnels and hideouts; similar to the ones used by the Vietnamese and Salvadoran guerrillas, an unspecified number of AK-47 rifles; boxes of ammunition; rifle grenades; material for manufacturing homemade grenades; and machine guns with spare barrels.

There have been six guerrilla movements in Panama since the country obtained its independence from Colombia in 1903. The most important group, the "Cerro Tute Movement," emerged in 1958 from the Veraguas Mountains, about 300 km northeast of Panama City. This guerrilla group was composed of extreme leftist university students.

Another guerrilla group, active between 1969 and 1971, was the Leftist Movement of National Liberation [MLN-29], which was dismantled by Panamanian and U.S. troops.

The M-20 came to light two weeks ago, signaling its presence with anti-Endara and anti-U.S. Government slogans.

Some of these slogans are painted in the Cathedral District, about 2,000 meters from the church where President Endara is in the third day of a "solidarity" hunger strike with the Panamanian poor. Endara is also on the hunger strike because of his government's economic troubles.

M-20 Member Admits Attack

PA0403011190 Panama City Radio KW Continente in Spanish 0037 GMT 4 Mar 90

[Text] We have just received a telephone call from an individual who identified himself as a member of a so-called M-20 group. We imagine he is referring to the

20 December Movement. This individual claimed responsibility for the dynamite attack on the My Place Bar that occurred at 2330 when a man got out of a car and hurled a hand grenade at the bar's entrance, located at the Panama Hotel's Via Veneto Shopping Center.

The Technical Judicial Police are investigating the incident with assistance from the U.S. Military Police.

Seventeen Panamanians and 16 Americans were wounded in this attack carried out by the M-20, which we assume is the 20 December Movement. Four of these Panamanians are still at the Social Security Hospital and six of them are at the Santo Tomas Hospital. A U.S. citizen is in critical condition at Gorgas Hospital.

Yours truly, Ramon Jimenez Velez, general coordinator of KW Continente news, received this call. We received the call approximately two minutes ago. The individual identified himself as a member of the M-20 group and claimed responsibility for the attack on My Place Bar. This man did not say if M-20 would attack again in an effort to rescue what he described as the violated national sovereignty.

Because of the hasty nature of the call, we were unable to record it for the authorities. The individual did not further identify himself, other than to say that he was speaking on behalf of the M-20 group, and, I repeat, claim responsibility for last night's attack on the My Place Bar.

I received this call at approximately 1935 here in our news department. We will be on the alert for any other such calls and supply pertinent information to the authorities. This is all we can say, and we will investigate this call.

Nominee for Canal Administrator Announced

PA0303223990 Panama City Circuito RPC Radio in Spanish 2102 GMT 3 Mar 90

[Report on statements by President Guillermo Endara, Foreign Minister Julio Linares, and Engineer Gilberto Guardia Fabrega, at the news conference announcing the Panama Canal Administrator nominee by reporter Carlos Norberto Roseman from the Metropolitan Cathedral Church in Panama City on 3 March—recorded]

[Text] [Roseman] We are reporting from the Metropolitan Cathedral Church where the President of the Republic, Guillermo Endara, and his full Cabinet has just announced the nomination of Engineer Gilberto Guardia Fabrega to be the first Panamanian administrator for the Panama Canal. In his statements to the media, Fabrega said that he had already been in contact with the Panama Canal operation quite a few years ago, shortly after he graduated from the University of Panama School of Engineering, as an employee with the former Panama Canal Company and later with the Panama Canal Commission [PCC]. Later on, he participated in the civil works to build residential areas for the

canal employees. First, Foreign Minister Julio Linares made the formal announcement.

[Linares] According to the Panama Canal Treaty, as you are aware, it calls for a Panamanian to head the PCC during the last 10 years in which the treaty is in effect. Because of this international commitment, and because a Cabinet decree has been sent to the Executive Branch, in accordance with the stipulation in the Constitution, and as the government and justice minister and vice president of the Republic said, the Executive Branch would be entrusted with appointing the nominee for this post. Therefore, I hereby present the Executive Branch decree appointing Engineer Gilberto Guardia Fabrega for the post. We believe that Engineer Gilberto Guardia Fabrega meets all the requirements and has all the professional and moral capabilities to perform such a high-ranking post with honor.

[Endara] We want to state that we selected him from among various other Panamanian candidates for this post, because there are many honorable, distinguished, and capable Panamanians. We selected the best candidate, with great experience, great honesty, and an outstanding civic and professional prestige. I hereby introduce you to the new Panama Canal Administrator Engineer Gilberto Guardia. [applause] Now you will hear Gilberto Guardia Fabrega, the official nominee for the post of canal administrator.

[Guardia] I only want to say a few words to thank you and your vice presidents who made the decision to appoint me for this post. I want to thank you for the trust you have placed in me. I also want to thank you for the opportunity you have given me to participate in this important duty Panamanians must accomplish and will have to carry out in this short decade.

During this decade we will have to get all countries of the world that use the interoceanic canal to put their trust in us. We will continue to operate efficiently by implementing efficient programs of maintenance and improvement to the interoceanic canal. We need the trust of all the Panama Canal Commission employees. We need to continue with the merit system policy and give due importance to each and every single operation. We will make a permanent effort to achieve excellence in the implementation of each operation. We will implement policies designed to deal with the needs of the institution, without privileges, discrimination, and favoritism. There will be equal opportunities for all.

We will conduct a dynamic, feasible and profitable operation. To achieve these objectives, we will have to create, with the support of our Legislative Branch, a great sense of responsibility and judgment. This will be a Panamanian institution in charge of operating the Panama Canal in the year 2000.

[Roseman] We must point out that this is just a nomination made by the president and his Cabinet. The nomination must be submitted for approval to the

Legislative Assembly. Once it is ratified, Guardia Fabrega's nomination must be sent to Washington so that the United States officially appoints him.

Demonstration at Peruvian Envoy's Residence

PA0403034390 Panama City Circuito RPC
Television in Spanish 0150 GMT 4 Mar 90

[Report by Julio Miller]

[Text] Dear television audience, we briefly interrupt our regular programming to offer you a report of general interest. The film clips we will see in a few minutes were taken this afternoon and early tonight at the residence of the Peruvian ambassador in Bella Vista Corregimiento, El Cangrejo neighborhood, when people were staging a peaceful demonstration prompted by the Panamanian Government's decision to grant safe-conduct to some of the Panamanians currently at the Peruvian Embassy. Among the Panamanians who sought shelter at the Peruvian Embassy and who were granted safe-conduct are Marcela Tason, former private secretary of ousted dictator Manuel Antonio Noriega. Captains Heraclides Sucre and Gonzalo Gonzalez, involved in the killing of Major Moises Giroidi, are also at the Peruvian Embassy. The film clips show part of the intense protests that took place near, or rather on the grounds, of the residence of the Peruvian ambassador in Panama City.

Demonstrators threw stones at the embassy windows and later set fire to part of the residence installations. [Video shows crowd shouting: "This damned thing is on fire!" three times] During the protest not one of the Peruvian Embassy officials attempted to leave the diplomatic quarters. Peruvian diplomats and even the Panamanians who sought shelter at the Peruvian Embassy and who were at the residence remained inside. Panamanian Public Force units unsuccessfully tried to control demonstrators. During the incident, a Public Force member who tried to prevent the incident was slightly injured. These scenes were filmed this afternoon and during the early evening hours by our cameraman Jose Casis Jr. and show part of the protest actions against the residency.

Major Edgardo Lopez Grimaldo, former Defense Forces public relations officer, and the other captains we mentioned before are currently at the residence. Let us listen to part of the statements by the widow of Major Moises Giroidi.

[Begin recording] [Adela de Giroidi] He [not further identified] told us that he will take us to First Vice President and Justice Minister Ricardo Arias Calderon.

[Reporter] Did you agree to that?

[Giroidi] I do not want to see anyone else killed. I think there have been enough people killed. I believe the pressure we have exerted is enough.

[Reporter] What will be your position when you talk to the minister?

[Giroidi] I want the Panamanian Government to take action so that the Peruvian authorities turn those people over to the Panamanians. I think it is a matter of firmly demanding that the Peruvian Government turns this people over to Panama.

[Reporter] However, if there is not a satisfactory response today, by the authorities and the government, what measures will you adopt? Will you continue protesting?

[Giroidi] Of course we will continue protesting. We will continue protesting because the only thing we are asking is that these people surrender to Panamanian justice so the law can be enforced because they killed....[changes thought] Heraclides Sucre fired at my husband, have you heard about it, he machine-gunned my husband in cold blood. Other officers and soldiers who took part in the 3 October coup were tortured, cut with machetes. [end recording]

The following film clips show a dialogue between President of the Republic Guillermo Endara, Vice President Ricardo Arias Calderon, and the widows of officers and military men missing or killed on 3 October 1989 in the attempted coup. The dialogue between the president, the vice president, and the demonstrators was positive. Demonstrators promised to remain calm and wait until Panamanian justice determines the responsibility, and issue sentences for those currently at the Peruvian Embassy. Later on Vice President Ricardo Arias Calderon, and President Endara made statements to the press. We will listen first to statements by Vice President Ricardo Arias Calderon.

[Begin recording] [Arias] The president and I vigorously deplore what transpired this afternoon at the Peruvian Embassy. [as heard] I had the opportunity, along with the president, to talk to Mrs. Giroidi, and she assured us that her only intention was to stage a peaceful protest and that at no time did they plan to include any violent acts. Mrs. Giroidi said that she is very surprised that some people she does not know and has never seen before promoted violent acts. She told the president of the Republic that she will talk to the people and tell them that there should be no violence and that violence is not the goal.

The president and I appreciate what she is doing; we understand her pain. We explained to her that the president has not authorized any safe-conduct for individuals who have been charged with murder. Those cases are being treated differently by the president and the minister of foreign relations.

[Reporter] Is a break in relations expected between Panama and Peru because of the violent actions?

[Arias] Not at all. I talked to the Peruvian charge d'affaires after our foreign minister talked to him. He knows that the national government profoundly regrets what has transpired; that the people who were protesting there, such as Mrs. Giroidi, had no plans to carry out

violent actions. Unidentified people, whose identity we will try to determine, urged the throwing of fire bombs at the embassy. The foreign minister and myself expressed our apologies to the Peruvian Government for any inconveniences or insecurity felt by its personnel.

[Endara] These are very regrettable incidents. Not only a basic courtesy of civilized people, that is to respect the residences of other people, and more so when they belong to representatives of other countries, but a principle of international law has been violated. That principle is due respect for diplomatic missions.

What really worries us about this incident is a report given to us by the organizers of demonstrations at the embassy. [as heard] Specifically, by the widows of men murdered by those who have taken refuge in that embassy: the widow of Major Girolodi was here, and she told us that all her actions at the embassy have been peaceful. She told us that today they noticed that totally unfamiliar people were present and these people provoked the violence; they instigated the violence. Obviously, certain groups are seeking to spoil our efforts to achieve democracy. They want to prevent the establishment of a democratic system with justice and liberty at all costs. I believe that this incident must be denounced before the attorney general of the nation. He should investigate these provocations. Nevertheless, the executive branch urges the citizens to not allow people to provoke them into participating in violent actions such as one which occurred today. The citizens must not allow others to exploit the feelings that all Panamanians feel towards criminals and people who have committed crimes and who are holed up in embassies such as this one; we urge citizens to avoid being provoked. [end recording]

Noriega Family Members Leave for Cuba

PA0303022990 Hamburg DPA in Spanish 0139 GMT
3 Mar 90

[Text] Panama City, 2 Mar (DPA)—The wife and three daughters of ousted General Manuel Antonio Noriega today left the residence of Lazaro Mora, Cuban ambassador to Panama, and for Cuba.

According to a Cuban Embassy spokesperson, Felicidad Sieiro de Noriega, her daughters—Thais, Lorena, and Sandra—and the six-month-old son of Sandra left for Cuba, from where they will go to the Dominican Republic to set up residence.

The family spokesperson said that the Noriega Sieiro family members had already shipped 83 packages in advance.

For his part, Rene Beauchamps, husband of Sandra Noriega, described as "positive" the Panamanian Government's action to grant them safe-conduct passes to leave Panama. He said it was an act of good faith on the government's part.

In addition to the Noriega Sieiro family, political leader Luis Gaspar "Toty" Suarez also left for Cuba.

The Panamanian Foreign Ministry granted safe-conducts to the wife of Noriega and their daughters on Wednesday. The Noriega family had taken refuge at the residence of the Cuban ambassador in the wake of the U.S. invasion of Panama. Gen. Manuel Antonio Noriega took refuge at the Apostolic Nunciature on 25 December and surrendered to U.S. troops eight days later.

Endara on Referendum To 'Legitimize' Mandate

PA0403002990 Paris AFP in Spanish 1736 GMT
3 Mar 90

[Text] Panama City, 3 Mar (AFP) — Panamanian President Guillermo Endara, on an "indefinite" hunger strike because of the economic difficulties of the government installed two months ago following an invasion by U.S. troops, confirmed today that in the next few months he will hold a referendum to legitimize his mandate.

"The referendum will serve to express the degree of acceptance that the current government has among the Panamanian people who overwhelmingly elected it during the 7 May elections," Endara told AFP, without indicating the date of the referendum.

According to most observers, the opposition ticket headed by Endara won the 7 May elections, which were invalidated by General Manuel Antonio Noriega's regime, ousted on 20 December 1989.

Endara, 54 years old, also said he will submit, for the people's consideration, various reforms to the constitution which was approved in 1972, amended in 1983, and provided the legal basis for the Noriega regime.

He added that the reforms will be subject to approval by the Legislative Assembly first and then to a direct referendum by the people, allowing them to give their "reaffirmation to the democratic principles, announcing a new era" in Panama.

Endara began the third day of a "solidarity" hunger strike today with the poor people of Panama whose needs, Endara said, cannot be met because of the economic bankruptcy of the government following Noriega's ouster.

The referendum "will serve as a test for us," Endara said at his improvised presidential office at the Metropolitan Cathedral, where, since 1 March, he has been occupying a small space to begin a period described as a time of "fasting and prayers."

Although the president admitted that he is not seeking to exert pressure on "any country," his fast is aimed at urging the delivery of the \$1 billion in aid promised by U.S. President George Bush and which some congressmen are trying to reduce significantly.

Assembly President Arellano Speaks

PA0303012690 Panama City Television Service
in Spanish 1629 GMT 1 Mar 90

[Speech by Legislative Assembly President Carlos Arellano Lennox at the installation of the National Legislative Assembly in Panama City—live]

[Text] His Excellency Mr. Guillermo Endara Galimany, president of the Republic; Honorable Magistrate Carlos Lucas Lopez, president of the Supreme Court of Justice, and honorable magistrates; His Excellency Ricardo Arias Calderon, first vice president of the Republic and minister of government and justice; His Excellency Guillermo Ford Boyd, second vice president of the Republic and minister of planning and economic policy; His Excellencies Messrs. ministers and vice ministers of state; His Excellency Ruben Dario Carlos, comptroller general of the Republic; His Excellencies Messrs. chiefs of diplomatic missions accredited to the Republic of Panama; His Excellency Most Reverend Monsignor Marcos Gregorio McGrath, archbishop of Panama; Honorable attorney general of the nation and attorney of the administration; Honorable magistrates of the Electoral Tribunal of Panama; honorable governors of provinces; honorable mayors of the Panama City and San Miguelito Districts; Messrs. directors, managers, assistant directors, and assistant managers of decentralized entities; Messrs. special guests; Messrs. members of the national and international media.

We seek to achieve a permanent peace in our country and to ensure that a state of law prevails against any dictatorial option, so it is necessary to guide the nation toward two great objectives: the creation of a political democracy and the construction of an economic democracy, because this is the only way we will really achieve what we have hoped for the most, meaning a homeland that is socially just, economically free, and politically sovereign. We are not talking about any democracy. It is not just another democracy that the Panamanian people need, but an overall democracy that includes all of society and is based on an open, pluralistic, and free community; on the will of the majority; and, above all, respect for differences of opinion.

Messrs., this morning I assume the presidency of this state organization with the political will to achieve these goals, and I want to express to the honorable legislators my gratitude for entrusting me with the presidency of the Panamanian National Assembly. I am grateful because they have bestowed on me the distinction of being the first president of the first assembly of the republican era. [applause]

The Panamanian people decided to free themselves from the military dictatorship with their votes on 7 May 1989, with a heretofore record voter turnout in the country's electoral history and with exemplary discipline. On that date the citizenry recovered what it had been denied for many years, what previous governments had systematically mocked, meaning the free expression of their will in

an election process. The Panamanian people were able to valiantly overcome the difficulties of confusing electoral legislation with maturity, responsibility, and high-minded civic spirit. The opposition was able to overcome the temptations of violence, and we—the people, the Civic Crusade, and the opposition—jointly chose the broad and adventuresome, but no less easy, road to democracy.

Today we have overcome the ignominious phase of a dictatorship. As a result of this, we are here today with a clear mandate, the mandate that the people have given us, meaning to make the great change in the Panamanian society that we all need. The people are waiting for us to fulfill—through practical laws, modern institutions, and even through our actions—some of the goals for which many struggled and for which hundreds of Panamanians died in the last 20 years. Honorable colleagues, the mandate includes that we make sure, once and for all and through this assembly, that future Panamanian generations will never again have to live the horrendous nightmare of another dictatorship—either civilian, military, or of a specific party. [applause]

This assembly must personify one of the forms of expressing the people's will. Consequently, colleagues, the shameful situation of servitude, submission, and subordination of this parliament to the whims of persons from other state organizations and from the barracks, which was experienced at this assembly for lengthy periods, must end with this democratic alliance government. [applause] Those of us who lived for five years within this assembly, which was like a barracks, can clearly certify how many times the will of this parliament was conditioned to a simple telephone call. That must disappear forever. [applause]

Those dictates that were alien to its nature occurred within this legislative organization for many years. In addition to limiting its authority as the organization that represents the people, this assembly lost the respect of Panamanian society. We cannot deceive ourselves, colleagues. We were sworn in today at an assembly that has been soiled by the Panamanian people's lack of respect—earned by the actions of previous assemblies—toward this assembly. We must recover that respect. We must cleanse this Legislative Assembly with our actions, and we must recover for it the role it once had as an independent organization, an organization that guided the Panamanian people, an organization that—like the executive branch—the Panamanian people could trust.

I am truly convinced, as president of this assembly, that each state organization will respect the other organizations' boundaries within the state of law in which we live. Nevertheless, dear members of the executive branch, it is necessary to establish and maintain a direct and constant communication between the state organizations. Prior consultation about a decision that might affect another organization is the best norm for harmonious and equitable relations and for carrying out coordinated actions.

The parliament's condition as an independent organization at a time when every attempt is being made to restore the people's faith, and when the people are searching for the institutions in which they can believe and people in whom they can believe, imposes unavoidable duties on the legislators. One of them, colleagues, is the current and adequate use of parliamentary immunity, a principle that has almost been universally consecrated and that should no longer be used to commit illegal actions. The immunity should no longer protect parliamentarians who are smugglers or gun runners, or those who perpetrate crimes punishable by the law. The parliamentarians' immunity in this new republican era must be guaranteed by their own conduct and by their own respect for the law, so that they may then—and only then—be called true founding fathers. [applause]

We urge the colleagues who are in the opposition today to contribute as Panamanians to achieve peace in the country, because violent actions affect all of us. This appeal does not mean we are asking anyone to forsake his ideology or his role in the opposition. We appreciate that role. We need the opposition. We can guarantee that the people who are opposed to us can enjoy the advantages that the opposition enjoys in democracies—something that some of us in parliament never enjoyed—as long as they function within the framework of law and order. [applause]

I hope that this new attitude of respecting the opposition—which is a novelty for the new generations that are not used to seeing this respect—will enlighten the new generations and certain Panamanians who have forgotten what democracy is, as they compare the huge differences between a Legislative Assembly marked by the dictatorial predominance of some past assemblies and this assembly, which stands for the awakening of the people and represents them with respect, dignity, and democracy in their search for freedom and justice.

Colleagues, members of the executive branch, and members of the judicial branch: There is a lot of work ahead of us. Five years will not be enough for the government to accomplish everything we want in political terms; namely, total reconstruction. However, we must accept the challenge of establishing the solid bases of a future that will be consolidated in the 21st century. We face a huge and tiresome task. Our duty as deputies is not to legislate for a specific party. The political spoils system no longer exists. We must legislate for the people at large, not for a segment of the population, but for all the people, especially the most needy.

We must not only turn our attention but our total attention to the unemployed, who are the product of the critical economic problems that this government inherited. We must turn our attention and our efforts to serve the peasants who are the neglected men of the countryside, the ones who supply the cities and urban areas. We must turn our attention to the laborers and try to solve their problems or meet their basic aspirations.

I ask you as fellow legislators not to promise what you cannot deliver, and to deliver what you promise. No more false promises. Our people want work, justice, security, and peace.

On this occasion, I would like to briefly share with you certain ideas about issues that in my opinion should be debated in this assembly during the legislative period that begins today. Given that we all have legislative initiatives in mind, I will give you some of my ideas.

First, legislators, members of the executive branch, the concept of the organization that will be charged with our national defense and security must lie strictly within the framework of the principle that this institution, regardless of what it is called, must be under the command of the president of the republic, [applause] inasmuch as it is the president of the Republic who represents the people's sovereignty and the organization charged with national defense must be subordinate to the people's sovereignty. Every organization of national defense and security that exists in the future must be subject to the president of the nation, as the legitimate representative of the people.

A law or a norm must replace Law No. 20. It must be a law that grants respect instead of fear, and rapprochement and confidence instead of hate, which is how the uniformed men have been regarded in the past. It must be a law that clearly establishes that the people grant them the concession of having weapons with the purpose of safeguarding the interests of the citizens and that the society wants to be given security and protection, but that the use of these weapons will never again be used to satisfy appetites of political power or to violate human rights.

In the same way, this law, which will constitute an organization made up of human beings, must give the members of that organization their lawful rights. It must recognize their capabilities and their time in service, it must grant them an adequate salary with scheduled increases according to their years of service, and it must respect their ranking structure.

In the same manner, I want to suggest that the initiative the legislators of the past five years made to reform the Constitution be discussed again and approved on this occasion, so that, as of this administration, the Social Security fund will cease to be a political booty. I want to invite you to approve the total independence of the Social Security fund, [applause] not only with reforms of Law Decree No. 14 as concerns the integration of the board of directors, which does not give any opportunity to the social security beneficiaries to elect even one member of the board, but also to guarantee the social security beneficiaries, who are the great majority of those present, to guarantee, I repeat, through the constitutional path, the means by which the social security programs and funds will be honestly handled, so that the current and future social security retirees and pensioners need never again suffer through the anguish and uncertainty

that the regime of the defunct military dictatorship caused them to experience. [applause]

The experience of the 1984 and 1989 elections demonstrates that we must make electoral code reforms. We must have a code without loopholes or confusing terms, a code that does not permit free interpretation or allow fraud. I believe it is also time to establish by law some type of electronic, automatic, and modern vote scrutiny that will prevent the possible, quote, human errors, unquote and which will indicate election results a few hours after the election booths close.

I also think that there are many subjects we must broach. I believe in the rehabilitation of those who have committed crimes, but only if an adequate rehabilitation program is implemented. I find it difficult to see how those with military mentalities can be rehabilitated in the same manner as a convict. Therefore, I believe that the penitentiary system has to be removed from the garrisons and placed in the hands of civilians to integrate those who have been tainted by the shame of committing a crime at a given moment, so that they can be integrated into society and turned into men who can contribute to the Panamanian nation. [applause]

Members of the Executive Branch, we will be waiting here for you to present the general wage law. It is necessary that we reorganize the government wages. I have always invoked the principle of the right of authority when we demand something. I found it very difficult sometimes as a Panamanian—I experienced this twice when I had the opportunity to be a member of the Canal Affairs Commission—that when we asked the U.S. Government to pay equal wages to Panamanians for equal work, someone from there responded: Begin by doing that at home, giving persons who do equal jobs equal pay. Those political privileges cannot be allowed to exist today. There is no law on comparable jobs that we can use as an example. For instance, a secretary is paid \$1,200 or \$1,500, while there is another who gets only \$300. That is an injustice that we must correct with the general wage law, which I hope will be presented as soon as possible [applause] from this very assembly.

Distinguished special guests, on many occasions I saw how public officials came to make lukewarm demands for an administrative career. I want to stress, and not in a lukewarm manner, that today they are very hot out in the streets. I want to tell the public officials that I would like to sign with my presidential hand the new administrative career law, but I also want to tell them that before there can be an administrative career, there has to be an adequate reorganization of these government officials. I tell the government officials also [applause] that one of the things they have to do—and something for which they will find the doors of this assembly open—is to purge their own ranks to eliminate these false leaders who immorally and without principles, today as well as yesterday, seek to sell themselves to the highest bidder. [applause]

The wheels of the economy need to turn. I do not believe the economy can be subordinated to foreign decisions. I believe it was a big mistake to try to reactivate the economy of our country in this way, ignoring the experiences of other countries. We cannot devote a major share of the budget to paying international debts because, gentlemen, those to whom we have made international commitments must share some of the responsibility for practicing a policy of laissez-faire and granting money to governments. [applause]

We do not want International Monetary Fund policies that do not first consider our people's necessities. We also saw this over the last five years when all these past governments were granted loans in an uncontrolled manner, knowing that they would be embezzled, because none of them can tell me that they did not know this.

But that is the laissez-faire, laissez-passer policy—let it ride; let it go; someday they will pay. We accept the responsibility of keeping our commitments. In this respect, Panama has always faithfully kept all its commitments and assumed its responsibilities. Before that, honorable colleagues, Messrs. of the executive branch, we must design and draft a budget that first takes care of the needs of our people. [applause]

I want to tell private enterprise that now, with this assembly and during my presidency—and I am sure that during future presidencies as well—it will have an opportunity to resume its traditional role of promoter of the economy. Gentlemen of private enterprise, this is a time for daring. This is no time to be waiting to see whether or not to invest. This is a clear time for definitions. You must take advantage of the rule of law. This is the time to grasp things for those who truly want to take risks for their country, not the time to wait for things to be consolidated to think of investing.

The executive branch, which we congratulate, is making every effort to provide businessmen with lines of credit for the actual recovery of the economy. I want to assure private enterprise that this assembly is creating the right climate to produce fair and adequate legislation and to grant guarantees and protection to those involved in investment and commercial transactions. I also want to tell you that this legislation includes protection for the consumer, guaranteeing a fair price for what he buys and adequate quality for what he pays.

In the field of education, we need more than just reforms in the education program. The teaching process must be brought up to date. In addition, we must amend regulations and precepts that for many years hampered the people's cultural development. We cannot continue with regulations that make Panama a country where people do not read because books are too expensive. It is cheaper to go to neighboring countries to publish a book because we have failed to adopt the necessary mechanisms to allow literature, culture, and education for the people to proliferate. [applause]

I know a little about this, yet I do want to comment on something that has worried me since my youth and that has become worse in recent years. We must depoliticize sports. The unhealthy trend, and we saw it here in this assembly, too, of using our national glories, in boxing, track and field, baseball, and horse racing, for political partisan activities must end. Our athletes are assets of the country, and they belong to all of us. We must do away with the practice whereby the only way an athlete could get government support and stand out in his field was through political activities. We expect to overcome all these things in due time in this assembly.

I want to end with something that is not less important, fellow Panamanians who are listening. Ten years ago, we received part of the Canal Zone properties and lands, and we have yet to put them an adequate use. Moreover, we do not know how we are going to manage them. The usurpation by the former Panama Defense Forces [FDP], which controlled the properties and land that had been received and the distribution of the homes in the Canal Zone based on political considerations, kept them from being used for the benefit of the entire nation and kept them from being used for the best reasons.

It is up to this assembly to legislate on this matter. We must do so soon. The previous government proved inept in resolving this matter all those years, which represents a cause for which so many Panamanians struggled. There are many opportunities in the reverted areas to implement many things. I think there is something for everyone. Institutions must not clash on this.

Some people want economic development, others investments, others, like myself, want ecological principles applied to some areas that were usurped by the FDP. In general terms, such areas must be used for this country's economic development, education, recreation, sciences, and culture.

I could go on and on: The family code, the media law, etc. It would take too long to mention all of them. Therefore, honorable colleagues, in conclusion I want to say that we cannot avoid our current dramatic reality. Social and economic problems will be banging on the doors of this Justo Arosemena Legislative Palace from the very beginning. Thank God that today we have a [words indistinct]. [applause] The father of law and author of "The Federal States" [Justo Arosemena] is once again occupying the seat that belongs to him, and we will legislate in his presence. [applause]

Even if we fail to pass a single law during my presidency, I would be satisfied with our having returned this oil painting to where it used to be. I will tell future generations that we put back the oil painting of the man who gave us our most important laws, the concept of Panamanian nationality, our integrity, and our concept of sovereignty for which he fought so hard. With this deed, I could say that I have fulfilled my mission as president, even if we fail to sign a single law here.

Our people, and most particularly our constituents, must understand that we cannot perform miracles because we are human. We, Panamanian people who are listening, have not even enjoyed the benefit of a transition period that is usual in nearly all world countries. We have received a country facing economic bankruptcy, in complete chaos, with no order or security for any citizen.

I want you to look back to 22-23 December and compare the situation then to the current situation on the streets. Much progress has been made from that difficult time until today. However there is much more to be done in every respect, and that, dear Panamanian people, is a task not only for the executive branch but for the legislators as well. We are aware of that.

In assuming the post of Legislative Assembly president by the mandate of a majority of the legislators, I am fully aware that I represent you and that I am obliged to all assembly members. I want to say that if all parliamentarians correctly apply their ideas and do not abuse their immunity, they will also deserve consideration, respect, and regard.

In conclusion, I want to remember and pay homage in this place, where a majority of the thoughts and ideas of national life converge, to the thousands of Panamanians who joined us in displaying an unyielding loyalty to democracy, justice, and liberty. I want to thank my electoral circuit, Circuit 8-8, which is made up of Ancon, Bella Vista, Betania, and Pueblo Nuevo, for the support that they have always given me.

I also want to pay homage to housewives across the nation. I want to pay homage to that woman, to the Panamanian woman, who not only on the streets [applause]—because some of them could not take to the streets—but from their homes banged their pots and pans to voice their repudiation and to protest when the dictatorship unsuccessfully tried to suffocate and repress the Panamanian people's cry for freedom on the streets.

I want to remember and pay homage to so many anonymous heroes; to those who acted clandestinely and those who were persecuted; to those who stoically endured jail and torture; to those who endured and are still enduring economic problems; and to the people and families that endured the pains and anguish of being exiled.

We pay homage to them and to their families, who shared those painful moments, and we remember and place a rose on the tombs of all those who have fallen, those who in their last moments, while facing their executioners, said: Pray for me, mother. I die so that there may be a lawful state in Panama some day. This was probably their last thought before a volley of shots ended their tragedy. We now have a lawful state! They have not died in vain!

Our thoughts and a flower for those who for 21 years waved a white handkerchief in their thoughts, perhaps their last thoughts. Perhaps they said softly: My son—or

mother—they kill me because I am trying to leave you a new republican era. With this thought in mind, let us remember each and every one of those whose cry for freedom was extinguished with bullets or a sharp knife, anywhere in the Republic.

For all of them, we have taken an oath before the symbols of our homeland; before God, who hears and sees us; before Justo Arosemena, the founding father of our laws, the man who gave us the concept of nationality, the man who respected the Constitution and the lawful state, the man whose portrait we have unveiled today. Colleagues, I urge you to turn the oath we have just taken into a solemn pledge so that the next five-year legislative assembly period is dedicated to following Justo Arosemena's example; to fulfill the ideals for which many fought and died; and to keep Panama forever free of dictatorships, so that our country may be forever sovereign. Thank you. [applause]

Vacamonte Considered Possible Guerrilla Refuge

PA0303163690 Panama City LA PRENSA in Spanish
3 Mar 90 p 1

[Report by Migdalia Fuentes de Pineda and Vilma E. Figueroa B.]

[Text] Lieutenant Donnai Gallardo has told LA PRENSA that the Public Force has declared the mountainous area of Vacamonte a "red area," because it is considered to be a refuge for possible guerrilla groups.

Gallardo, who is military chief in Arraijan, said that the decision was made because "there are serious indications that many people from Burunga, Bique, Vista Alegre, and other places are bringing food to the Vacamonte sector, an unexplainable fact, since those who are carrying the bags of food neither live in Vacamonte nor have relatives there."

According to the officer, "although the area is not suitable for an attack, it does serve as a hideout. As a military man I can say that there is no "area security,"

and that, moreover, "there is a road linking it with other communities close to the coasts, and that is very dangerous."

He added that, so far, several patrols that have inspected the area have found three boxes of ammunition, several machine guns, gun barrels, rifle shells, articles for making home-made grenades, and rifle clips.

Gallardo believes that this materiel "was used by people who were well-prepared for war." He said that patrols have been continued because "it is likely that there are still many other things that have not been found."

LA PRENSA reporters who accompanied the officer on a tour of the area saw AK-47 shell casings and some sort of tunnel into the earth with a small entrance.

According to Gallardo, "two people could take refuge there" and, his experience—he was an officer of the Special Antiterrorist Unit—tells him that this was built by "people who are expert in the field, because of the manner in which it was built," and because "we also found alkaline batteries that we presume were used for two-way radios."

In closing, Lt. Gallardo said that the security measures that have been taken so far are for the community's welfare; there he asks residents of the area to respect the curfew to make it possible to remain vigilant without getting innocent people involved in any confrontation that might occur with possible subversives.

For the past several weeks, LA PRENSA has been receiving reports that there are weapons hidden on the Pacific coast, which has often made it necessary to search swimmers at the beaches.

Meanwhile, it has also been indicated that both in the capital and in certain strategic places in the interior close to the beaches, "strange" meetings are held that annoy and create unease among residents.

Such meetings are apparently being held in certain parts of the capital, especially in San Miguelito, where it has been reported that members of the former Defense Forces threaten residents, telling them that a guerrilla group called M-20 will soon go into action.

Argentina

Menem Defends Economic Plan, Bush Lends Support

PY0303213590 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1548 GMT 3 Mar 90

[Excerpt] Buenos Aires, 3 Mar (NA)—U.S. President George Bush has conveyed his support for Carlos Menem's economic programs and committed himself to providing the assistance needed to overcome the Argentine crisis. This was reported by the president's brother, Senator Eduardo Menem, who stressed that "people abroad admire the government's economic programs." Eduardo Menem reported that Bush had expressed his support for the adjustment measures "in a telephone call a couple of days ago."

The legislator said it was "essential" to fulfill our commitments with international organizations "to seek the disbursement of funds to overcome the crisis, because no country in the world has been able to beat hyperinflation without foreign assistance."

"We know that the government's priority is to look after the poorest sectors. The hard choice is to either fulfill our international commitments or attend to the basic needs of the people. We have to carefully balance both variables if we want to overcome the situation," Menem said.

Senator Menem charged that the communication media has contributed to the "climate of uncertainty" but dismissed charges that the government lacks credibility. This comment was an obvious answer to surveys published by various newspapers. "The government is implementing measures that any other administration would have implemented given the deep crisis, and we only have to wait for the results," Senator Menem said. [passage omitted]

Economy Minister Announces Broad New Measures

PY0503021290 Buenos Aires Argentina Televisora
Color Network in Spanish 0030 GMT 5 Mar 90

[Address to the nation by Economy Minister Antonio Erman Gonzalez in Buenos Aires on 4 March—live or recorded]

[Text] Good evening. The Argentine economy has been operating in extreme conditions for more than a year; that is, it has been operating on the brink of hyperinflation, of domestic and foreign default, of a recession with massive unemployment, and of the final collapse of the state.

We are standing at a boundary marked by brutal inflation, the virtual nonexistence of both domestic and foreign credit, stagnating and declining job opportunities, and by the virtual failure of the state to provide the most urgently needed services.

We all know this situation is real. The worker knows his salary disappears in a few weeks; the businessman knows he can only count on his own resources to run his businesses; those walking the streets looking for jobs know that it is extremely difficult to find one; and we all know about the real shortcomings affecting public education, which lacks the basic resources even to emulate the public education that existed in the Republic of Argentina a few decades ago.

We all know the humiliating shortage of resources affecting public hospitals. We all know the shortcomings of all types of public services, from the transportation system to security services. This scenario is undoubtedly one we see every day. It is not just statistical figures. In each situation there is a human being, of flesh and blood, who is today living in a state of anguish and frustration. It is tragic to have to tell these distressed, anguished people, that despite all the evils they have already endured, Argentina is today clearly on the brink of a something much worse.

I said earlier that all this time we have been on the brink of hyperinflation. It would not be fair to my government if I did not make it clear that this threat, and its first signals, were instrumental in bringing about an early inauguration of the new constitutional president.

Since its inauguration, this government has concentrated its efforts on avoiding hyperinflation, but that threat has come back time and again. This recurring threat testifies to the deep roots hyperinflation has established in our economy. Ours is not the first case of hyperinflation in today's world. We can learn from the experience of many others, but no solution can be readily applied worldwide. There is no magic economic countermeasure. The problem can be fought only with a responsible, alert, constant, and firm attitude designed to generate an adequate response to every sign of hyperinflation.

It is the government's responsibility to create the necessary conditions to wage a final battle against hyperinflation. Today this battle is our priority goal. It is a legitimate question to ask why.

Hyperinflation causes prices to increase every minute, and thus it is impossible to secure supplies. It means desperate people on the streets trying to convert a note into goods. It is a situation that instantly generates a real social tragedy, which in turn can lead from economic anarchy to social and political anarchy. No Argentine leader has the right—even though in so doing he could not be prosecuted for a serious crime—to ignore or fail to acknowledge that this threat is real, and that it has been a real threat for more than year. If we do not acknowledge that this is the top priority of the Argentine state—and to do this it is not necessary to sign an explicit pact—all of the Argentine leaders will not be fulfilling their responsibilities. There is no alternative concerning this priority. If we do not stop hyperinflation, it will destroy every possibility we have for civilized coexistence.

Since the first day of our government, we have waged this struggle. No doubt we have made mistakes. Yet, with the same conviction, I want to state that we have also made progress. Paradoxically, economic mechanisms react quickly to mistaken signals, but they react very slowly to positive signals. Who could have imagined in mid-1989, less than nine months ago, that we would be able to formulate a new oil policy, already under way, entailing large private investments, or that we were going to engage in an accelerated process of privatizing public enterprises—a process that has taken other countries several years—which today is one of the most ambitious plans in the world?

Today we are certain that our cereal grain harvest will be 60 percent higher than last year's. This reflects the determined attitude of the Argentine farmers, who with their work and investments, have made it possible that by April we will have the necessary resources in hard currency to stabilize our balance of payments and to fulfill our commitments.

Today it is still difficult to accept the undeniable truth that, since September of last year, the National Treasury has not printed money to satisfy its operational needs.

No one can argue that in real terms, public expenditures in 1989 have fallen by 16 percent from the previous year. Who would have imagined that in 1990 Argentina would implement—as the majority of other countries have done—a modern tax structure such as the generalized value-added tax with a single rate, and that the penalties provided by a tax law would become a reality?

No one would have imagined that we could have already eliminated the cancer created by the Central Bank deficit that made any monetary program impossible. We have also consolidated the public debt, and we have paid the service on the foreign bonds when it was due.

No one doubts the great problems affecting the urban economy of the country. It is also necessary, however, to mention that the sustained increase of industrial exports shows that there is a structural change away from the negative tendencies. This means progress and positive signs. Real progress is being made, but the reaction of the markets is slow, and we still have to overcome pessimism and to reverse the tide of capital flight. Tonight we are implementing new measures of significant scope. All of the things I have mentioned, and the decisions to be implemented as of now, complete a picture that gives greater credibility to our measures to defeat hyperinflation and to reform of the overall structure of the state.

We are building the conditions that will make investment possible. For investment is the only source of genuine growth and basis for high, real salaries, productive employment, and social justice. Now, more than ever, investment is the responsibility of the private sector. The agricultural sector has shown that it is possible to produce more in our country. These well-earned production benefits must now be invested in the country. The state is making an effort, and Argentine

industry, which has the obligation to modernize, must take advantage of these conditions to rebuild its markets with high-quality products and reasonable prices.

All of these things are positive signs to which the economy will respond slowly and gradually before the end of this year. For this to occur, however, we must first make new progress against the imbalances and disorders that erode confidence in our currency, in our public financing, and—why deny it—in the firmness of our decisions.

The president made the historic decision—to be enforced immediately—to reduce public expenditures by the equivalent of \$2.2 billion. For this purpose a decree has been promulgated by which the resources of the public enterprises are tied up [se afectan], and the payments to contractors of public works and the recognition of higher costs are suspended for 60 days. The reimbursements for imports are suspended. The subsidies created by the laws of industrial promotion are suspended. With the same purpose, a decision was also made to extend the regulations that limit the purchases of the central administration, and to abolish all of the 56 state secretariats subordinate to the ministries. The number of under secretariats will be reduced from 112 to 32, and they will be subordinate to the ministries following their reorganization.

A decision was also made to order the mandatory retirement of all eligible personnel in public administration. All the personnel who have two years or less remaining before regular retirement will stop working immediately, but they will continue to receive their salaries until their retirement pay commences. These and other measures, such as the freezing of hiring and promotions and the elimination of overtime, will guarantee the reduction of 25 percent of the state's bureaucratic expenditure. 002Mar05)

This is a necessary first step by which the Argentine state can translate its irrevocable decision, to set an example regarding the efforts which it believes are required at this time, into actions. This struggle cannot be waged by the public sector alone. Each sector of society with resources must make a substantial contribution to building a public accounts surplus. With its new measures the government has reflected a level of austerity which confers the required moral authority upon the state to demand new efforts from those who have resources, this to prevent those hardest hit by this disorder from being compelled to pay for its consequences.

Today, in the same decree, the president of the nation decided to order the following measures to increase public revenues by \$600 million, in a way that ensures that all sectors of the community share equally in our effort:

An additional one and one-half percent is added to the tax on capital assets.

An emergency five-percent average increase is ordered on withholdings of exports of agricultural products and industrial commodities. In this regard, we have also taken the required measures to put an end to losses of tax revenues by creating the fiscal account unit, which will adjust daily the value of the tax to be paid.

Regarding banking and monetary measures, we have decided to prohibit the Central Bank of the Argentine Republic, BCRA, from issuing, directly or indirectly, currency to finance the operational deficit of the public sector. The BCRA must first obtain a written authorization from the Argentine Economy Ministry to engage in rediscount operations.

All amounts rediscounted, and to be paid to the BCRA, by all financial enterprises are hereby declared due and must be paid by 30 September 1990. They can do this either by collecting their debt or by selling their portfolio.

Official banks will be drastically reorganized. The National Mortgage Bank will stop operating on 5 March. The Argentine National Bank will take charge of its portfolio.

The Economy Ministry will intervene in the BANADE, the National Development Bank, to expedite its reorganization and to ensure the collection of its loans.

A draft law will be submitted to Congress for the creation of the Housing and Savings Bank [Banco de Ahorro y Vivienda] on the basis of the current National Savings and Insurance Fund, which will be reorganized to include the functions of a wholesale bank for housing and urban development.

Further corrective actions within the banking system will include necessary measures to solve immediately, and once and for all, the situation of the small number of private banks facing chronic difficulties.

Effective 1 April, all state employees will earn a minimum salary of 450,000 australes. Gas and oil to be used by public buses will have a special price that will not affect fares. This special price will thus help reduce the impact of bus service on family expenses.

There is of course a package of additional measures, too tiresome to list, which includes a decree containing more than 50 provisions. As I customarily do, I just wanted to note what is already under way and to confirm the course we have chosen. That course is within the framework of the popular market economy and in keeping with the freedom and philosophy that the president of the nation has endorsed time and time again.

We have concentrated our efforts on achieving two key goals necessary to consolidate the groundwork for the struggle against hyperinflation: First, to build a fiscal surplus through real, rather than illusory, austerity based primarily on reduced spending rather than increased revenues; second, to consolidate a banking and monetary policy aimed at achieving stabilization.

By these measures we have today helped to improve the credibility and reliability of public finances and to restore confidence in our currency.

By these measures the president of the nation, his ministers, and government officials have explicitly reaffirmed the basic strategic guidelines of our government program.

These measures are not just another adjustment, or an adjustment of other adjustments. It represents significant progress in the reconstruction of the basic balances that are necessary for stability, growth, and social justice.

We know that at the conclusion of this speech some sectors will understand what the situation is and act accordingly. However, it would be naive to ignore the negative reactions that will appear. We cannot ignore that some sectors of the nation will demand the return to the practice of direct control over prices, salaries, interest rates, and exchange rates. They will also demand that we abandon the policy of privatization and state reform, and the policy aimed at the public sector to promote economic activity through expenditures and subsidies. Putting aside ideological or academic discussion, which could be appropriate in different context, our answer is: That is not the solution.

In our bankrupt condition, our resources cannot win over inflation. It is materially impossible to carry out a strategy of this type. The simple reading of state accounts shows that there are no basic conditions for this type of economic policy. In order to be coherent, abandoning the policy of privatization and fiscal reorganization, would also require the state to abandon education, health, and public safety. Those who demand the return to other types of practice—which are perhaps wise in a different context—give us a catastrophic choice. It is materially impossible to do two things at the same time.

Our choice, which is the choice of the people, is clear. Under the current situation the only truth is reality, and reality tells us that a state that protects education, health, security, and the basic rights of the people cannot, given the current situation, do other tasks. The policy of control—in which the state sustains the economy—is a magical and simplistic temptation which will not work, at least, for us. That policy will not prevent the flight of capital nor the black market. It would be a new lie, which in the short-run, would create the same devastating effects that these control measures are aimed at preventing.

At the other end, there will be other criticisms. We will be told that we are not doing enough. We will be told to put an end to the public deficit by closing all the public enterprises and dismissing thousands of public employees. We will also be told to dollarize the economy immediately. This apparent solution will represent social chaos, and it will be impossible to build the flexible and strong state that the situation demands.

The state is on the brink of bankruptcy, and we must prevent this by streamlining and balancing the state. Otherwise, we will allow state bankruptcy to drag us into anarchy and social chaos. All of our energy is concentrated on this struggle. We have chosen the instruments necessary for a long and difficult struggle. This is a lone and weak state. It cannot do very much alone. It needs the will, the understanding, and the commitment of the people. Democracy does not end in an election; it begins with an election, and it is built with the participation of the people. The first act of this participation is the understanding of the situation in which we live. The poorest sectors suffer the consequences of the situation, and they do not need technical explanations to understand that we have reached the limit. Every day the poor sectors show their tolerance and faith in the country. Our commitment to them is to put the state in order, and to avoid the worst of the evils waiting for us. Many of the people who belong to the privileged social groups are apparently unaware of the situation, and they are still making demands that the state can no longer fulfill.

Solidarity means, first of all, not demanding something that is not a priority during this collective emergency. Solidarity means thinking of the needs of everyone and not of the needs of a single sector, or of someone's interests, legitimate as they may be. We call for solidarity, tolerance, and understanding. This is the way to express the participation of the people. Many of you probably expected us to decree stability and progress. We did not do that.

To govern earnestly means to create the conditions necessary to do so. A lasting gain can only be achieved with time and authority, no matter how painful its exercise might be. This package of measures is painful and serious; but it is painful and serious to everyone. We want to set an example. We have the responsibility of governing, and we must conduct ourselves in a legitimate and exemplary fashion. We are not avoiding this responsibility.

These measures are set on a course, which we are not starting today and which will not conclude tomorrow. Yet, beginning today, the state has stopped being an inflation plagued burden paid for only by the weakest sectors.

Beginning tomorrow, our struggle against hyperinflation will no longer be just an appeal to miracles if—instead of making rhetorical remarks—political, business, and union sectors translate their understanding, tolerance, participation, and solidarity with this sacrifice into action that accounts for the positive signs in the future.

We have had a bad situation for a long time. We cannot afford to run the risk of things getting worse. To fail to do what we have to do and to delay real solutions would render useless all the sacrifices we have already made and, naturally, would make it more difficult to end this crisis. To tread on the path proposed by the government through the measures implemented today is to confirm

that this is not a time to hope for miracles but to build a more sound reality. It is up to us. It is up to you. It is up to all of us. Thank you.

Colombian President Barco Arrives for Visit

PY0203141490 Buenos Aires TELAM in Spanish
1243 GMT 2 Mar 90

[Excerpt] Buenos Aires, 2 Mar (TELAM)—Colombian President Virgilio Barco explained the importance of "eliminating" drug trafficking and drugs. He emphasized the "awareness" in his country about "the dangers of drug addiction for humanity."

President Barco and his wife arrived today in the Jorge Newbery Metropolitan Airport at 0930 where he was welcomed by President Carlos Menem and his wife Zulema Yoma, Vice President Eduardo Duhalde, and Foreign Minister Domingo Cavallo. [passage omitted]

Menem on Colombian Drug Efforts

PY0303204090 Buenos Aires TELAM in Spanish
0029 GMT 3 Mar 90

[Text] Buenos Aires, 2 Mar (TELAM)—Tonight President Menem expressed his solidarity with the Colombian Government in its "courageous struggle against the traders of death." He said that Argentina is still "under construction. Now that democracy has been established, our development is pending." The Argentine chief of state spoke during a banquet that he and his wife Zulema Yoma de Menem hosted at the Plaza Hotel for his Colombian counterpart, Virgilio Barco, who is visiting the country.

Menem emphasized that Colombia is "a remarkable symbol of the stubborn struggle for life and dignity that is being waged today in our America against the criminal drug trafficking organizations." Menem pointed out that "it is fair to admit that Colombia's resolve in the face of the drug trafficking offensive has decisively contributed to awakening the consciences of other peoples and governments to the need for concerted efforts in this field."

Menem pointed out that the freedom that has been restored in the country "is a result of the efforts and sacrifices of an entire nation, beyond political banners. Everyone will have to contribute to maintain and improve the situation, and this is the direction in which we are marching." The Argentine president called "once and for all to overcome the serious crisis that we and all Latin American peoples are facing. We must build the modern country demanded by a society that is prepared to enjoy it."

The Argentine chief of state said that "Latin America is our true horizon. Latin American unity must be our goal, because our very future, as developed and prosperous nations, depends on achieving the integration that we are seeking."

Menem said that "in a few more days the process of democratization in Latin America will conclude and, for the first time in our history, all the countries in our region will be represented by their legitimate representatives." Menem said that "we have consolidated a system of coexistence and cooperation that ensures peace among our nations. We have also demonstrated our collective capacity to promote pacification processes in Central America that—as can be clearly seen today—are significant contributions to democracy and better understanding among those countries."

The president said: "The Contadora Group and the Contadora Support Group had all our support, and we proved that Latin American countries should—and could—find solutions to Latin American problems." Menem asserted that "Latin American integration does not work against the establishment of a more active link to the world; rather it encourages it." Menem added that "the challenge in the next few years will be to achieve regional integration and to encourage the development of the whole area."

Menem said: "Latin America is becoming aware of a new era that requires imagination and audacity." He added: "We cannot accept being mere observers of the accelerated process of change and modernization in today's world."

Menem stressed: "If we were able to build democracies in a climate of peace and coexistence amid the worst economic crisis in recent decades, we can generate the conditions to achieve progress and the well-being of our peoples."

Menem said: "The next time we visit your country we will be able to show the first results of our goals: a firmer democracy, a society more integrated with other Latin American societies, and a people moving toward higher levels of economic and social development."

The dinner at the Plaza Hotel in honor of Colombian President Virgilio Barco and his wife Carolina was attended by Eduardo Menem, senator and provisional Senate president; Interior Minister Julio Mera Figueroa; Secretary General of the Presidency Alberto Kohan; Vice President Eduardo Duhalde; Foreign Minister Domingo Cavallo; Minister of Public Works and Services Roberto Dromi; Defense Minister Humberto Romero; and Apostolic Nuncio Ubaldo Calabresi.

Seated at one of the tables were Colombian Ambassador to Argentina Hector Saiz Ballesteros, Economy Minister Antonio Gonzalez, Education and Justice Minister Antonio Salonia, Presidential Adviser Alvaro Alsogaray, the commanders in chief of the three branches of the Armed Forces, and various deputies.

Joint Accord Signed, Commission Formed

PY0303213090 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1818 GMT 3 Mar 90

[Text] Buenos Aires, 3 Mar (NA)—Colombian President Virgilio Barco departed for his country this afternoon after a 24-hour visit to Buenos Aires during which he signed a joint declaration with his Argentine counterpart, Carlos Menem. In this declaration the two presidents reaffirm their common desire to preserve and consolidate the democratic system in Latin America.

Barco earlier feted Menem at the Colombian Embassy and decorated him with the Order of Bogota. The two presidents and their wives, Carolina Barco and Zulema Menem, then proceeded to the Metropolitan Aeroparque airport. After protocol ceremonies, the Colombian president and his entourage departed Aeroparque for Ezeiza International Airport, from where they left for Colombia. President Menem returned to the Olivos residence.

In a joint declaration signed this morning the two heads of state expressed their satisfaction over the "cleanliness" of the Nicaraguan elections and reiterated the need for a withdrawal of the U.S. troops stationed in Panama. Menem and Barco reaffirmed their desire to preserve and consolidate the democratic system, to fight the drug trade, and to continue to follow with special interest the political developments in East Europe.

Menem met this morning with the Colombian president at Government House shortly before a cabinet meeting. After exchanging protocol greetings, the two presidents signed the joint declaration.

Welcoming Canada as a new member of the OAS, the two presidents expressed their conviction that Canada will contribute positively to strengthening the organization.

The Governments of Argentina and Colombia also decided to create an "Argentine-Colombian Ministerial Commission for Political Coordination and Integration." This commission, which will be chaired by the foreign ministers, will meet at least once a year. It will seek to promote dialogue and political agreement between the two countries, examine bilateral relations, and promote the economic growth of the two nations.

Barco and Menem stated in their joint declaration that foreign debt continues to be one of the most serious problems for most Latin American countries. They stated that, based on the principle that responsibility must be shared by debtors and creditors alike, a just and lasting solution should be found for the grave political and socioeconomic deterioration affecting the region.

Menem expressed his gratitude to Barco for Colombia's support for "Argentina's sovereign rights over the Malvinas, South Georgia, and the South Sandwich Islands and surrounding waters." Barco reiterated Colombia's

support for "the restoration of sovereign rights to Argentina" and expressed his satisfaction over the reestablishment of diplomatic relations between Argentina and Great Britain.

Seineldin Denies Meeting With Montonero Leaders

PY0303181490 Buenos Aires LA PRENSA in Spanish
2 Mar 90 p 4

[Text] Mendoza—Retired Colonel Mohamed Ali Seineldin yesterday issued a "total" denial of a report that he met with former Montonero leaders and that [former Montonero leader] Rodolfo Galimberti had joined the civic-military organization headed by Seineldin.

These statements were released here by a spokesman for Seineldin, in his presence, during a brief meeting that the leader, of the Villa Martelli uprising, held upon arriving at El Plumerillo Airport.

Some 50 persons—among them retired officers from the Army, the gendarmerie, and the police—cheered Seineldin, claiming that he is "the savior" of the country.

Also at the airport were nationalist Justicialist politicians such as Alberto Seru Garcia; retired Lieutenant Colonel Horacio Farmache; Patriotic Liberation Movement leader Horacio Marengo; and Pedro and Maria Alicia de Giacchino, the parents of the marine infantry captain who died in the landing on the Malvinas Islands on 2 April 1982.

Mrs. Giacchino told journalists that the reestablishment of diplomatic relations with Great Britain was "an act of baseness, of surrender, and of subservieny." She then read a message welcoming Seineldin. The message said that Seineldin was "the leader of the dignifying events of Villa Martelli."

In an unexpected gesture, Seineldin hugged each of the journalists. However, he declined to make any statements because, as his spokesman put it, "he is not used to doing that."

In response to a question, the unidentified spokesman denied that Galimberti has pledged his allegiance to Seineldin and that the latter has met with other former guerrillas.

Yesterday Seineldin began a series of meetings with groups of politicians, union members, retired military, and businessmen.

'Broad Civic-Military Front' Proposed

PY0303235690 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1420 GMT 3 Mar 90

[Excerpts] San Juan, 3 Mar (NA)—Retired Colonel Mohamed Ali Seineldin proposed here today the formation of "a broad civic-military front to stop the process of disintegration that is affecting the fatherland" and to

face "the plans of domination from the two imperialist powers: the United States and the Soviet Union."

Speaking to more than 100 union leaders at the local CGT [General Confederation of Labor] headquarters, Seineldin criticized the political party system which is not in keeping with "our native, Hispanic, Christian tradition." According to Seineldin, this tradition is based on "the four natural pillars of the fatherland: the church, the Armed Forces, the unions, and small and medium-sized enterprises." [passage omitted]

"Today," Seineldin said, "the two forms of imperialism—one with its democracy plan, the other with its perestroika—are actually seeking to force us into disintegration and decline." According to the rebel military leader, the Soviet Union and the United States "have overcome their ideological conflict: Capitalism is now confronting capitalism to worsen the North-South conflict and to impose a one-party system to dominate us."

Seineldin said that the only way to address this problem is by forming "a broad civic-military front to make the second republic rise from the ashes of the first, thus meeting the challenge of the year 2000, either united or subdued, to build the nation envisioned by San Martin, who wanted an Inca emperor to rule all of Latin America."

Navy Chief To Uphold 'National Political Will'

PY0203233390 Buenos Aires TELAM in Spanish
1341 GMT 2 Mar 90

[Excerpt] Buenos Aires, 2 Mar (TELAM)—Vice Admiral Jose Ferrer, Argentine Navy chief of staff, today stated that "with our Army and Air Force, we will represent the integrated military power needed to support the national political will and continue to decisively contribute to the promotion of our industrial and technological development." Ferrer made these remarks today in a ceremony marking the 133th anniversary of the death of Admiral Guillermo Brown. The ceremony, which was held at the "Yellow House," was presided over by Defense Minister Humberto Romero.

The Navy chief noted that the country "is facing the option of continuing to repeat past failures or of debating a future of progress." He stated that the Navy, "within a strictly institutional framework, has joined—modestly but decisively, and through the sacrifice and spiritual strength of its men—the effort to address the challenge of effecting an intense process of change in the country." [passage omitted]

Fuel Prices Increase 124.47 Percent on 4 Mar

PY0403020890 Buenos Aires TELAM in Spanish
0145 GMT 4 Mar 90

[Text] Buenos Aires, 3 Mar (TELAM)—Energy Secretary Julio Cesar Araoz reported at Government House tonight that fuel prices will increase by 124.47 percent effective at 0000 on 4 March. Araoz noted that an

increase in utility rates "is now being discussed by the entire Cabinet" and that the announcement of the increase "will be made on 5 March" by Economy Minister Antonio Erman Gonzalez.

The new prices of fuels will be as follows: regular gas, 1,680 australes per liter; premium gas, 2,000 australes per liter; gas oil, 1,100 australes per liter; kerosene, 790 australes per liter; diesel oil, 1,015 australes per liter; and fuel oil, 495 australes per liter.

Bolivia

Paz on Relations With Chile, Nicaraguan Vote

PY0203165490 La Paz La Red Panamericana
in Spanish 1130 GMT 2 Mar 90

[Excerpts] President Jaime Paz Zamora yesterday told journalists in Montevideo that the restoration of the democratic system in Chile entails better prospects for a bilateral understanding.

Paz Zamora attended President Luis Alberto Lacalle's inauguration in Montevideo. During a dinner for special guests, given by outgoing Uruguayan President Julio Maria Sanguinetti on 28 February, Paz Zamora talked with Chilean President-elect Patricio Aylwin on their countries' situations.

When asked about this subject, Paz Zamora told journalists that efforts should be made to discuss the Bolivian-Chilean problem in the spirit of the 21st century and not that of the 20th century because ideas are changing in an extraordinary way.

Paz Zamora said: "I am sure we will find a way for the Chilean and Bolivian people to coexist. Our countries should be joined through their history, culture, and economy, and should seek a common future. During my talks with Aylwin and his team in Montevideo, I found they share the same thoughts. I found that democracy, new ideas, and new attitudes are being restored in Chile."

Paz Zamora enthusiastically said there are excellent prospects for bilateral understanding on the basis of common respect. He did not want, however, to give details on the concrete position of his administration. He added that Bolivia will wait for Aylwin's inauguration to propose new skillful and pragmatic solutions. [passage omitted]

When asked about the situation in Nicaragua after the presidential elections, Paz Zamora said that following the elections the Sandinist front has become the main opposition force and the great star that consolidated Nicaraguan democracy. The Sandinists have understood they had to give up their hegemonic attitude toward Nicaraguan policy and reach an agreement.

Asked about the danger of increasing U.S. intervention on the continent and U.S. influence in the defeat of the

Sandinists, Paz Zamora admitted that the U.S. government has carried out contradictory actions in the last three months. The U.S. invasion of Panama was negative but their cooperation to hold free elections in Nicaragua was positive. This reveals the contradictory attitude of the United States, which is also going through a transition period and experiencing the democratic revolution from their own perspective, Paz Zamora added. [passage omitted]

Kempff Minimizes Coverage of Paz-Aylwin Meeting

PY0303150290 La Paz La Red Panamericana
in Spanish 1130 GMT 3 Mar 90

[Text] Yesterday Information Minister Manfredo Kempff said the national media has given excessive coverage to the meeting held by Bolivian President Jaime Paz Zamora with Chilean President-elect Patricio Aylwin.

The official spokesman minimized reports announcing the resumption of diplomatic relations with Chile and said the headlines of the Bolivian media on the subject were exaggerated.

Kempff said so much importance should not be given to the informal, protocol meeting held by the Bolivian president with the Chilean chief of state during a dinner party offered by outgoing Uruguayan President Julio Maria Sanguinetti on 28 February in Montevideo.

Kempff added that if one were to carefully analyze what President Paz Zamora said, one would see there is nothing to indicate that diplomatic relations with Chile will be resumed soon.

The official spokesman noted, however, that the political situation in Chile has changed, conditions have improved, and there might be a new mind set regarding its links with Bolivia.

However, the minister noted it would be wrong to reach hasty conclusions because the lessons have been hard and that in Chile the leftist and rightist sectors, civilian and military, share the same point of view regarding Bolivia's right to a sovereign outlet to the sea.

The information minister said too much importance has been placed on Chile while much more important issues have been ignored, such as the joint decision of the Plate River Basin member countries to make the Paraguay-Panama [as heard] riverway feasible. Kempff noted that with this riverway Bolivia will be able to obtain an outlet to the Atlantic.

Uprising of Antidrug Forces Denied

PY0303183290 La Paz La Red Panamericana
in Spanish 1130 GMT 3 Mar 90

[Text] An EFE report, datelined La Paz, states that Bolivian authorities have denied an alleged uprising of some 700 members of the Mobil Units for Rural Areas

[Umopar] a few days after Lieutenant Severino Higuera was murdered in an ambush by a group of drug traffickers.

According to press reports from the Chapare region, the main coca-production center, Umopar members refused to participate in anti-drug operations.

The press report states that, according to LOS TIEMPOS newspaper from Cochabamba, the 700 Umopar agents went to their barracks on 26 February and are now demanding modern weapons and life insurance worth \$10,000 from the government.

However, Social Defense Under Secretary Gonzalo Torrico, who is responsible for planning the struggle against drug trafficking in Bolivia, has said the reports on the alleged uprising are groundless. Torrico confirmed that following the death of Umopar Lieutenant Severino Higuera on 25 February during an ambush by drug traffickers in the Chapare region, the Umopar agents made their requests and stated they have not let up in their struggle against drug trafficking.

Torrico added that, on the contrary, the Umopar men are participating in a vast anti-drug operation being carried out in some Chapare areas. Torrico said he was almost certain that some of their demands will be fulfilled.

The under secretary said the Bolivian Government will seek economic support from governments and international organizations in order to grant the UMOPAR members, whose lives are constantly at risk, life insurance.

Torrico said the U.S. Government, through its embassy in La Paz, had promised to donate modern weapons. Umopar struggles with obsolete weapons against the sophisticated weapons of the drug traffickers.

The press report states that Umopar is responsible for the struggle against drug trafficking in Bolivia with only 1,200 men, a number which the government regards as insufficient to control a country with an area of more than 1 million square kilometers.

Torrico said that to encourage Umopar personnel, the government will soon implement a monetary reward program for those brigades that manage to seize the largest amount of drugs.

Brazil

Businessmen Support Finance Minister Appointee

PY0203140690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Mar 90

[Excerpts] The appointment of Zelia Cardoso de Mello as finance minister has received positive reactions among businessmen. Her appointment was praised in Sao Paulo.

President of FIESP [Sao Paulo State Federation of Industries], Mario Amato, has said he is very optimistic about the appointment of Zelia Cardoso de Mello because she has already demonstrated that she is moving toward modernization. She will defend the market economy without forgetting projects that must be implemented in the social sector. Amato believes that Cardoso de Mello will be able to fight inflation. [passage omitted]

Most of the businessmen from Sao Paulo expect that Minister Cardoso de Mello will end inflation and have expressed their decision to cooperate with the new government in this effort. [passage omitted]

Finance Minister Mailson da Nobrega has also agreed with Cardoso de Mello's designation. He said she is a very capable economist and that she worked with qualified people to draft the economic plan of the new government. Da Nobrega wishes success to Zelia Cardoso de Mello. [passage omitted]

Minister-Designate Interviewed

PY0203145290 Rio de Janeiro Rede Globo Television in Portuguese 0250 GMT 2 Mar 90

[Interview with Finance Minister-designate Zelia Cardoso de Mello by Enrique Amorim, date and place not given—live or recorded]

[Amorim] In your interview this morning you hinted that the economy will first be adjusted and then deregulated. That means if the public deficit does not drop, there will be neither a freeze nor a social pact, correct?

[Cardoso] No, not exactly that. We believe all those things should occur simultaneously. On our first day in office we will implement all the measures in various sectors, the administrative reform, and all the measures which will have more influence on the economy. The privatization program will also be submitted. All measures will be implemented simultaneously. They obviously have different timings [preceding word in English] for implementation.

Consequently, the fiscal adjustment and the other measures will be implemented the first day. We intend to begin our contacts with the main business, political, and labor leaders from the very beginning in an effort to design an optimum income policy. This will allow us to design the best deregulation policy, which should be consistent with the fiscal adjustment and other measures of the economic program.

[Amorim] Does this mean that from the very beginning the government will try to make both businessmen and workers design a policy for deregulating salaries and prices?

[Cardoso] Right. As I said, this should be consistent with what we, I mean, with the program as a whole, right? Obviously, it should also be consistent with all the commitments made during the election campaign.

[Amorim] What if neither businessmen nor workers reach an accord?

[Cardoso] Look, concerning that possibility, we believe the new government is a democratic, elected government. A government which presented its economic program for public debate, and mainly a government that will clearly show it is doing its own share in all sectors, such as the adjustment of government accounts and the search for a balanced budget and improved managerial efficiency. We believe this is an essential condition that will make other sectors of society feel this is the time to cooperate, to end that common enemy which is not only an enemy or problem for the government, but for everyone else, right? Inflation is the worst enemy for the working class, which lives on its salary.

[Amorim] You have frequently said there will be no freeze. You have just given good reasons for that. How is it possible to curb a 100-percent monthly inflation rate without a freeze?

[Cardoso] We believe an accord is the right path to curb inflation without a freeze. We have always maintained that we are against the freeze because it causes several problems. Now, I would also like to note that there is something about which we are obviously concerned. In fact, economic agents have taken preventive steps, particularly in February...

[Amorim] Increasing prices...?

[Cardoso] Increasing prices. This is obviously disturbing even the design of the program. We have been working with some variables and all of a sudden there has been a considerable price increase.

[Amorim] You talk about fiscal adjustment and public deficit control, but you do not mention either increased taxes or the imposition of refundable taxes. Are taxes likely to be increased, or are refundable taxes likely to be levied as part of the policy to reduce the public deficit?

[Cardoso] We are working on a tax package. The possibility of levying refundable taxes has been ruled out, they are very difficult to use due to legal and constitutional considerations. This hypothesis has been ruled out.

[Amorim] The Constitution, however, also imposes several restrictions on the possibility of increasing taxes. The Constitution also preserves the principle that taxes must be paid on a yearly basis. What will the government do to reduce the public deficit?

[Cardoso] Look, we are working on that point, and we are doing it very carefully. We are performing studies, consulting specialists. At this time it is very difficult for me to anticipate anything, because the design of the tax policy should be ready early next week.

[Amorim] Now professor, the business sector has the impression that the financial sector and the banks, which made good profits last year, will pay part of the price for the adjustment. Is this true, or can the banks and the

financial sector remain calm because the situation on 16 March will be the same as on 15 March?

[Cardoso] The situation on 16 March will not be the same. It will be better because there will be a new government. I would like to say, however, that we are obviously speaking about a government which will introduce deep reforms. As I said, such reforms will begin in the state structure, in the policy of the government. Summing up, there will be major changes. President Fernando Collor has a very special and clear idea of the Brazil he wants to build at the beginning of the 1990's. It should be a competitive, efficient Brazil which should be integrated into the world. Several adjustments will obviously be necessary in order to achieve this objective in an economy which has some modern features and, at the same time, is backward in some areas.

[Amorim] Are you planning to dismiss or suspend public servants?

[Cardoso] There will probably be some of both. We are planning a thorough administrative reform designed to make public services efficient, because the purpose of the state and government is to serve the public. To this end, we are carrying out surveys in every sector of the state apparatus, and finding that in many sectors there are cases of overlapping functions, too many employees; people who earn more than they should, there is....

[Amorim, interrupting] Approximately how many employees will be affected by this reform?

[Cardoso] It would be almost irresponsible to mention any figure at this moment; the surveys have not been concluded. However, all public servants who work and have a function need not worry because we obviously want to carry out a fair reform that will allow the government to efficiently serve the public. Therefore, there will probably be some dismissals and some suspensions.

[Amorim] What is the difference between your program and the three programs implemented by President Carlos Menem?

[Cardoso] I think it is different in various aspects. In the first place, President Menem was forced to take over ahead of schedule, consequently he was unable to implement many measures on the first day of government. We have been drawing up our program for many months now and have been able to enjoy this harmonious, very civilized, transition period. We have obtained information from the government, information that has helped us develop various scenarios, theories, and to work comfortably.

[Amorim] Do you believe the figures supplied by the current government reflect the truth?

[Cardoso] I do, I do believe them. I just want to add that we will have the chance to simultaneously implement all the reforms, something the Argentine Government was

not able to do and, from our point of view, this seriously affected the consistency of their economic program.

[Amorim] Does the fact that the economy minister is a woman help or not?

[Cardoso] It is difficult to say. I think it helps because women, because of the role they play in Brazilian society and the need to compete in a very discriminatory market, and the fact that they work harder and are more dedicated. I think that at this moment we need to be very dedicated, we need to work hard, and I think the fact that I am a woman helps. I do not think it makes things difficult. During an interview earlier today I said, and the president himself has said, that the president has paid a great homage to Brazilian women by choosing me. It is a sign of confidence in women.

[Amorim] What about your youth; does it help or not as economy minister?

[Cardoso] I think it also helps because young people have a great determination. Especially those of my generation who will now have a chance to implement a series of plans they have had in mind for many years. I think this force, this determination, will be of great help at this moment in which everyone must channel all their energy toward building a fairer society where people may live a better life and feel better. In this sense I think my youth will help.

[Amorim] How does a young woman feel about the imminent prospect of having to face the monsters of the business and labor sector?

[Cardoso] I, in particular, and this is a very personal opinion, like challenges because they encourage me. This is obviously accompanied by a worry, a great worry, because anything we may say, any measure we may contemplate or implement, will obviously affect the life of millions of Brazilian people. Therefore, this is a matter for great concern. At the same time, there is the challenge of being able to solve Brazil's problems, obviously, given our limitations and the limitations of the economy itself. However, I think it is a challenge well worth facing. The government team that is being formed is united and determined, and has the very effective leadership of President Fernando Collor. I have no doubt we are going to overcome this challenge.

[Amorim] In other words, the businessmen and union leaders will find out that you are the monster?

[Cardoso] [laughter] I hope we will be able to work together cordially, striving for a common objective.

Procopio Appointed Social Action Minister

PY0303190390 Rio de Janeiro Rede Globo
Television in Portuguese 1600 GMT 3 Mar 90

[Excerpt] Another woman has been named to [President-elect] Collor's cabinet. Alagoas-born Margarita Maia Procopio will become the social action minister on 15

March. When President-elect Fernando Collor arrived this morning in (Polo de Noiva), where the transition team is working, no one could imagine the huge surprise he had planned.

The nomination of another male minister was expected, but then came the big news: Mrs. Margarita Maia Procopio, a social assistant from Alagoas State and an Alagoas Government employee, has been chosen to head the recently created Social Action Ministry. [passage omitted]

Lutzenberger To Head Environment Secretariat

PY0303231190 Rio de Janeiro O GLOBO
in Portuguese 3 Mar 90 p 1

[Text] Ecologist Jose Lutzenberger, the 1988 Good-Living Award winner (similar to the Nobel Prize), has accepted President-elect Fernando Collor's invitation to head the Environment Secretariat. Lutzenberger was introduced to the press in Brasilia this afternoon.

Lutzenberger promised "to carefully consider" the proposal to exchange some of Brazil's foreign debt for ecological investments. The future secretary also said that he was touched by Collor's offer because, for the first time, he saw that "the government was really interested in environmental problems."

Collor Receives Offer of Support in Congress

PY0203025290 Rio de Janeiro Rede Globo
Television in Portuguese 2300 GMT 1 Mar 90

[Report by Alexandre Garcia]

[Text] This afternoon, President-elect Fernando Collor received further support. Deputy Ricardo Fiuza, Liberal Front Party, PFL, leader, told him that the PFL will support him in Congress. All members of the PFL bloc in congress will meet with Collor on 8 March. Collor said he intends to maintain permanent contact with all leaders in Congress.

[Begin Fiuza recording] The president-elect humbly said that he wanted, that he needed, that he would be grateful for permanent positive criticism. [end recording]

Chile

Aylwin Denies Discussing Relations With Paz

PY0203200990 Santiago Radio Chilena Network
in Spanish 1600 GMT 2 Mar 90

[Report from Uruguay by Patricia Rodriguez]

[Excerpts] President-elect Patricio Aylwin said this morning that he had not discussed the possibility of restoring diplomatic relations with Bolivia with President Jaime Paz Zamora. Aylwin said this during a news

conference marking the end of his activities in Montevideo, Uruguay, where he attended the presidential inauguration ceremonies.

Aylwin was asked about press reports published in Montevideo stating that the subject was discussed by the Chilean and Bolivian presidents. Patricio Aylwin asserted that the subject had not been discussed. He said that he had met with the Bolivian president, but only on a social level.

[Begin Aylwin recording] The truth is that we have not discussed that issue. I held two social meetings with President Paz Zamora, who is a friend of mine, and we addressed various Latin American issues. We did not discuss Chilean-Bolivian relations nor Bolivia's claim to an outlet to the sea. [end recording] [passage omitted]

Aylwin Returns

PY0303010090 Santiago Domestic Service
in Spanish 2200 GMT 2 Mar 90

[Excerpts] President-elect Patricio Aylwin has recently returned to the country after a four-day tour of Argentina and Uruguay, where he attended the inauguration of President Luis Alberto Lacalle. On his arrival, Aylwin reaffirmed his earlier remarks in Montevideo to the effect that his two meetings with Bolivian President Jaime Paz Zamora were of a social nature and that neither the possibility of resuming diplomatic ties nor Bolivia's aspiration for a sea outlet was discussed at these meetings. [passage omitted]

Government Concerned Over New Panama Canal Rates

PY0403223890 Madrid EFE in Spanish 0002 GMT
4 Mar 90

[Text] Santiago de Chile, 3 Mar (EFE)—The Foreign Ministry has expressed its concern over a 20-percent readjustment in rates paid for towing and other services in the Panama Canal. This measure was recently taken by the Panama Canal board of directors.

It has been reported to the Foreign Ministry that this readjustment represents a temporary surcharge that will be in force from 1 April until December 1990.

The Chilean newspaper EL MERCURIO today reported that the Chilean Foreign Ministry has issued a communique on this measure stating: "The Panama Canal Commission is seeking to solve the operational deficit by increasing its charges to customers, even though this commission—not the customers—is primarily responsible for the deficit."

The Foreign Ministry has stated that the maintenance, operation, and modernization of the Panama Canal should be paid for with funds from the regular budget or with loans obtained by the commission, and not with temporary measures that only harm the customers' legal interests.

The communique points out that since more than 40 percent of Chilean trade passes through the Panama Canal, any rate readjustment is harmful.

Leftist Sector Experiencing 'Worst Crisis'

PY0303142290 Santiago Domestic Service
in Spanish 0930 GMT 3 Mar 90

[Text] During a news conference, MIR [Movement of the Revolutionary Left] leader Patricio Rivas and Chilean Communist Party [PCCh] leader Manuel Riesco admitted that the Chilean left is going through the worst crisis in its history. They added that no decision has been made yet on what to do after the dissolution, in the next few days, of the Broad Party of the Socialist Left, the PAIS.

[Begin Riesco recording] We have full confidence that this experience, which marks a difficult situation for the unity of the left, will be rapidly overcome. We are sure the process under way within each party and each sector will soon produce new possibilities for unity, which will promote the sociopolitical unity of our people.

We are now speaking for both the PCCh and the MIR. We would like to voice our common decision to resolutely promote this process of reunification of the left. [end recording]

Riesco added that the process of reunification of the left cannot depend on circumstances. He admitted there are disagreements and critical attitudes about the tactical and strategic measures adopted over the past few years.

He said, however, that such disagreements will not jeopardize the unity of the left.

Riesco also justified the recently developed PCCh policy of rebellion of the masses. He said, however, that this policy does not reflect the current position of the PCCh, which will not rise in arms against the government of President Patricio Aylwin.

[Begin Riesco recording] That policy has permanent features which, as we have said, are achievements. This is how we Communists regard our policy. We believe, however, that the name may not accurately reflect our current policy, which obviously does not promote the people's rebellion against the government of Patricio Aylwin. [end recording]

He also rejected the thesis that there are two leftist sectors: one inside the future government and another outside. He noted that the left is undergoing a strategic process of change, at a world level, and that it has to find its own position in the new era.

Colombia

Bogota Recognizes Panamanian Government

PA0203192590 Hamburg DPA in Spanish 1822 GMT
2 Mar 90

[Text] Bogota, 2 Mar (DPA)—After the withdrawal of the invading U.S. troops, following the December intervention that led to the overthrow of General Manuel Antonio Noriega's regime, Colombia has recognized the government of Panamanian President Guillermo Endara.

According to reports, Colombian Ambassador Jaime Hernandez Lopez will return to Panama City within the next few days to resume his duties.

The Colombian diplomat was recalled for indefinite consultations last October by President Virgilio Barco Vargas to study the difficult situation in Panama.

A few weeks ago, the governments of Colombia and Panama held several discussions when Endara thought Barco was demanding that Panama hold a plebiscite to approve the new administration that came to power after the U.S. invasion.

Barco Challenges 'Extraditables' To Face Justice

PA0403041390 Paris AFP in Spanish 0105 GMT
4 Mar 90

[Text] Bogota, 3 Mar (AFP) — Colombian President Virgilio Barco, upon returning to the country tonight from Argentina, challenged "the Extraditables," the armed wing of the drug traffickers, to surrender and be tried legally.

"Do not threaten us any more," the president said at the Catam Military Airport in Bogota, upon returning to the country at 2345 GMT after visiting Uruguay and Argentina.

"They (the Extraditables) have promised they will surrender. They should do so and stop threatening us. I am certain that Colombian judges will enforce justice as it should be," Barco said.

With this statement Barco responded to a message the drug traffickers released on 3 March in which they announce that they are on a "state of alert" in view of the government refusal to hold a dialogue.

Since 17 January, "the Extraditables" have been announcing their willingness to surrender to the authorities, but have conditioned their surrender on being allowed to stand trial in Colombia and not face extradition.

Barco said the government is willing to study the drug traffickers' proposals.

Asked if kingpin Pablo Escobar, leader of the Medellin Cartel, would stand trial in Colombia in the event he decided to surrender, Barco said: "This is not the time for speculation."

"Each specific case has to be studied," he insisted. Commenting on statements by Melvyn Levitsky, assistant secretary for international narcotics matters, who has said that "extradition is not our obsession," President Barco said "Colombia will not enforce extradition just because it wants to."

"Extradition is a part of the treaties currently in effect which must be complied with," Barco said, adding that countries where crimes have been perpetrated "have the right to request the extradition of those responsible."

Barco, who attended the inaugural in Montevideo of the new Uruguayan President Luis Lacalle, and who made a two-day official visit to Buenos Aires, said his visit was successful.

For example, in Argentina, Barco said he signed bilateral agreements to strengthen diplomatic and trade relations and cooperation efforts.

Says Extraditions To Continue

PA0403124990 Bogota Radio Cadena Nacional
in Spanish 1220 GMT 4 Mar 90

[Text] Bogota—President Virgilio Barco reiterated last night that his government will continue to extradite drug traffickers at the request of the United States, although he did not rule out the possibility of taking a different position regarding persons linked to organized crime who voluntarily turn themselves in to Colombian authorities.

Upon returning to Colombia last night from Buenos Aires, Argentina, Barco insisted to newsmen that extradition depends on the crime that has been committed and that he could not advance hypotheses unless the Extraditables turn themselves in to the Colombian justice system.

Asked what would happen if the barons turn themselves in, the president said that the government would study their proposals. However, he explained that most drug-trafficking crimes are committed by Colombians in the United States, and extraditions will continue in such cases.

On another subject, the president also said that the Armed Forces will respond vigorously if the ELN [Army of National Liberation] continues its attacks in the days prior to the elections.

'Extraditables' Reportedly Bringing in Foreigners

PA0203190790 Bogota Inravisión Television
Cadena 2 in Spanish 1737 GMT 2 Mar 90

[Report by Carlos Arturo Paez]

[Text] State organizations have expressed caution regarding the unilateral decision adopted by the Revolutionary Armed Forces of Colombia [FARC], the People's Liberation Army [EPL], and the National Liberation Army [ELN] to order a cease-fire to permit peaceful elections.

According to reports, the EPL has ordered all of its forces to suspend hostilities during the elections period, and the ELN—a group that had announced that it would boycott the elections—will order a temporary truce as of 10 March. The FARC had already adopted this decision.

Meanwhile, state secret organizations have discovered that the Extraditables have brought a group of foreign mercenaries to the country to prepare for war.

According to a Bogota newspaper, the Medellin Cartel has reportedly hired (Bryan Bellevue) and (Peter MacCallis). These two men, and (David Klein), were in the country in 1988 on the Rodriguez Gacha payroll to train paramilitary groups.

The report indicates that when Rodriguez Gacha died, Pablo Escobar made Henry Perez military chief of the cartel and established contact with Fidel Castano.

These two people are wanted by the authorities for being behind several massacres in Cordoba and Uraba.

Meanwhile, in Lima, two Peruvian Army officers have been accused of selling arms to the Colombia mafia.

Deny Killing UP Members

PA0303221290 Paris AFP in Spanish 2046 GMT
3 Mar 90

[Text] Bogota, 3 Mar (AFP)—The Extraditables clandestine organization, composed of the main leaders of Colombia's drug-trafficking cartels, declared a "state of alert" today and denied any responsibility in the recent murder of militants of the legal leftist Patriotic Union (UP).

In a message to UP President Diego Montana, who on 1 March urged drug traffickers to state publicly whether they are behind the "extermination campaign" against members of his political organization, the Extraditables assured that they are not responsible for these crimes.

So far this year 73 UP followers have been killed.

However, the Extraditables admitted that in the past there has been "friction" between them and the leftist forces, but also added that those differences are a closed chapter in the country's history, a clear reference to the late drug baron Gonzalo Rodriguez Gacha.

Rodriguez Gacha, who was killed with his son Freddy and five bodyguards by the police's Elite Commando Unit in December, was known to be a staunch "anticommunist." The UP accused him of having plotted the murder of UP President Jaime Pardo Leal, who was gunned down in October 1987.

In their message to Montana, the Extraditables also say they have a new leadership since the death of Rodriguez Gacha, whom state security services described as the military "brain" behind the clandestine organization, but abstained from divulging further details.

"Our group's new leadership vigorously rejects militarism, torture, disappearances, murders, genocide, and human rights violations," the message says. The message adds that the Extraditables are also "victims of the official system of hired assassins and the silence and complicity of the civilian government, which is losing power to the military force each day."

The Extraditables' message also says that "as in Panama during the Noriega regime, in Colombia there are officers who have been bribed and who have been receiving a salary from the U.S. Government to disinform and discredit their forces."

They accuse the government of President Virgilio Barco, who began an all-out war against the "czars" of drug trafficking, of reacting to their peace offers with greater repression, and of extraditing them "against the will of the nation's active forces."

In January the Extraditables revealed a surrender proposal and promised to suspend their drug shipments to the United States, end their attacks, and turn over their cocaine-processing plants.

With the drug traffickers' message to Montana and a similar document denying responsibility in the recent murder of UP militants issued on 2 March by the leftist guerrillas of the Army of National Liberation (ELN), the question of who is behind the crimes remains a mystery. The UP claims that certain members of the military forces are involved.

M-19 To Sign 'Definite' Peace Agreement 5 Mar

PA0403153490 Bogota Radio Cadena Nacional
in Spanish 1225 GMT 4 Mar 90

[Text] Bogota—The national government and M-19 [April Movement] will sign a definite peace agreement on 5 March at Narino House. In addition to President Virgilio Barco Vargas and the rebel group's main leaders, the ceremony will include the participation of presidential advisers on peace issues who have been involved throughout the entire conciliation process.

Likewise, Radio Cadena Nacional has learned that the turnover of weapons will be carried out by the rebel organization on 8 March, during a ceremony to be held in Cauca and Huila Departments.

Will Turn in Weapons 8 Mar

PA0303185390 Paris AFP in Spanish 1754 GMT
3 Mar 90

[Text] Bogota, 3 Mar (AFP)—The Presidential Advisory Board for Peace Issues announced today that the leftist

M-19 guerrillas will turn in their weapons on 8 March. The Advisory Office also indicated that a Socialist International [SI] technical commission will receive the weapons.

After a long and turbulent year of talks with Liberal President Virgilio Barco's administration, M-19 has begun the process of reincorporation into democratic life as a result of an amnesty, from which its commanders have already benefited.

Carlos Pizarro, M-19's top leader, launched his candidacy for mayor of Bogota, while other leaders of the former subversive organization hope to receive the people's vote in the legislative elections on 11 March.

To receive the weapons, the SI delegates, four retired generals, will arrive in Colombia on 5 March. They will be responsible for taking inventory of the weapons.

On the morning of 8 March, M-19 and the president will sign a political agreement at Narino Palace. The agreement contains a number of political commitments designed to reinforce the peace process.

The official turnover of weapons will take place on the afternoon of 8 March, in simultaneous ceremonies held in Cauca and Huila Provinces, as established by the Advisory Board.

SI To Inventory Weapons

PA0403154690 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 4 Mar 90

[Text] M-19 has said that a Socialist International technical commission will arrive in Colombia today. The commission will inventory M-19's weapons and supervise their delivery to the government.

Eber Bustamante, International Secretary of M-19, said that upon its arrival the commission will immediately go to Santo Domingo in Cauca and El Vergel in Huila to verify the weapons now in the hands of M-19.

Bustamante issued a communique saying that through this inventory, M-19 seeks to fulfill the peace agreements signed between the national government and the M-19 staff in its quest to return to civilian life.

Bustamante also said that once the inventory is taken, a list will be made that will be kept by the technical commission, the national government and M-19. Its contents will be kept secret.

According to M-19, the material to be inventoried includes rifles, machine guns, submachine guns, revolvers, pistols, hand grenades, shotguns, and explosives used in clashes with the Army.

Bustamante says that the technical commission's inventory will be kept with Bolivar's sword.

Magistrate, Escorts Reportedly Killed by EPL

PA0203165390 Hamburg DPA in Spanish 1551 GMT
2 Mar 90

[Text] It has been reported in Bogota that Preliminary Investigations Magistrate Carmen Elisa Rosas and three policemen, who were escorting her, were assassinated today in an isolated area in Putumayo Intendancy in southwest Colombia; apparently by guerrillas of the People's Liberation Army [EPL].

According to preliminary reports, heavily armed men opened fire on Rosas, 33, who was driving to the area to assume office.

The incident took place a few hours after Francisco Caraballo, the highest-ranking EPL leader, ordered all EPL fronts to observe a unilateral cease-fire until 1 April to prevent any interference in the municipal and legislative elections scheduled for 11 March. Several Colombian judicial officials have been killed in the past few months. Most of the assassinations have been attributed to the drug trafficking rings.

The country's pre-electoral period has been marked by unprecedented violence. Left-wing leaders have been killed, mayors have been kidnapped, and town councilmen have been assassinated.

Judicial Group Demands Protection

PA0303141590 Bogota Radio Cadena Nacional
in Spanish 1222 GMT 3 Mar 90

[Text] Bogota—The judicial branch has announced a nation-wide mobilization and warned their services will not be normalized until the government is able to guarantee security to judges and other judicial-branch officials. This warning was issued by ASONAL [Judicial Branch National Association] President Antonio Suarez following an extraordinary meeting in Bogota in the wake of the murder of Criminal Instruction Judge 28 Carmen Elisa Rosas Rosas and three of her bodyguards.

Suarez said the judicial branch cannot work as though things were normal because the government is denying the country's judges their most basic right, which is to be able to live in Colombia and administer justice without any kind of pressure. Suarez said that 227 judges have been murdered over the past nine years, which makes Colombia the country with the highest incidence of justice personnel murders.

Judicial Employees Stage Protest

PA0503140790 Bogota Radio Cadena Nacional
in Spanish 1216 GMT 5 Mar 90

[Text] Bogota—Judicial Branch employees, 23,000 in all, will hold a nationwide day of protest today to demand that the government provide greater security for the country's judges. ASONAL ordered the protests following an expanded meeting to analyze the situation this sector, and the murder of Criminal Judge Carmen

Elisa Rosas Rosas and her three bodyguards, in particular. The protests include symbolic burials and demonstrations all over the country, and other actions intended to demand that the government provide greater security to justice officials. The group stressed that over the past nine years, 227 judges have been slain in Colombia, and that most such crimes have gone unpunished.

According to ASONAL President Antonio Suarez, no service will be rendered at any of the country's judicial offices during the 24-hour protest.

Officials, Party Leaders Killed, Kidnapped

PA0203131690 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 2 Mar 90

[Text] Violence has continued taking its toll of victims in Colombia. A Conservative Party [PC] leader, a Liberal Party [PL] councilman, and a jail director have been killed and a mayor and a deputy have been kidnapped by guerrillas.

A National Police spokesman has said that in the suburb of (Buzo), west of Boyaca, Eutimio Campos, president of the PC board, was killed. He was shot several times with a pistol and died instantly.

As is known, Luis Ortega Fernandez, PC director in (Huateque), was killed on 23 February and, on the road to La Clara mine in Amalfi, PL Councilman Gabriel Jaime Barrientos Toro, 53, was murdered.

A deputy for the Patriotic Union [UP] in Chaparral, Tolima, has escaped death in a criminal attack, and Juan de Dios Gonzalez, director of the jail in San Quintin, was murdered by unidentified assailants in Bello last night.

Meanwhile, the ELN's [National Liberation Army] so-called Camilist Union has continued with its wave of kidnappings. Yesterday, it kidnapped Javier Ignacio Pena Ortiz, mayor of California, Santander Department. The mayor, who is a PC member, fell into the hands of the ELN's Marta Elena Baron Front. In Cerrito, Garcia Rovira Province, PL Deputy Juan Carlos Duarte Torres has been kidnapped. Two other mayors—of Carmen and Hacali—are in the hands of ELN guerrillas as part of the group's "Do Not Vote" campaign aimed at hindering the upcoming elections.

ELN Takes 20 Hostages in Wave of Kidnappings

PA0403150890 Bogota Radio Cadena Nacional
in Spanish 1226 GMT 4 Mar 90

[Text] Bogota—The authorities and security organizations have been surprised by the shocking wave of kidnappings carried out throughout the national territory by the self-styled Army of National Liberation, ELN. Over the past few hours, the group has kidnapped 20 people.

Among the victims of the ELN's so-called Camilist Union are four mayors, two deputies, six executives, cattlemen, businessmen, farmers, and a policeman.

According to official reports, 12 kidnappings took place over the past 18 hours. In Cesar Department, members of the Camilist Union kidnapped Liberal deputy Dario Quintero Patino, 42, in the downtown section of Aguachica Municipality. Newsman Emiliano J. Pacheco, who works for the "Advances of Cesar" newscast of the Ondas del Cesar radio station, was kidnapped with the political leader.

Early on the morning of 3 March, a gang of kidnappers, apparently ELN members, kidnapped cattleman Manuel Narciso Martinez Jaroca, nephew of Anibal Martinez Zureta, candidate for mayor of Valledupar and former comptroller general of the Republic. In addition, Celina Ossa de Gomez, Conservative Party leader and deputy, was kidnapped in downtown Granada, Antioquia. In Tibu, Northern Santander, mayor Eduardo Rolon Diaz and mayoral candidate Alvaro Sarmiento Herrera were also kidnapped by the so-called ELN Camilist Union. The two men were on their way to lunch when they were taken by surprise by the rebels.

At noon yesterday, near Savana de Torres, Santander, Alvaro Torres, an employee of the Agrarian Fund; Oscar Celio Torres Gutierrez, a spokesman for INCORA [Colombian Institute of Agrarian Reform]; Miguel (Cacel), an IMAT [expansion unknown] official; and a worker from (Pediarioz) were kidnapped. The ELN is also holding Noel Francisco Acevedo and Javier Ignacio Pena, the mayors of El Carmen and California, Santander, respectively; and Liberal Party Deputy Juan Carlos Duarte, who was abducted by the ELN on Tenerife Road, in the municipal jurisdiction of Concepcion. Duarte is a deputy for the Renovation of Free Santander Liberal Party.

Along the road from San Vicente to El Carmen, also in Santander, Gonzalo Vasquez Ardila, manager of the local Agrarian Fund, and Olindo Mantilla Ardila, a director of the (Cotras Magdalena) Company, were also kidnapped. The two men were in an automobile with license plate UF-2171 when they were abducted by the guerrillas. The driver, Marco Tulio Gomez, was also kidnapped, but released several hours later.

Hernando Torres Jaimes, mayor of Hacari, Northern Santander, is also in the hands of the ELN. In Cordoba, cattleman German Sierra Medina was kidnapped along the El Toro Road of Piedra Alta. In Canalete, also in Cordoba, cattleman Pedro Pablo Mejia was kidnapped. He was at the La Cana estate when the guerrillas kidnapped him.

In Pedregales, on the road from Zulia to Sardinata, the ELN kidnapped businessman Sergio Alarcon. In El Centenario, El Carmen, Santander, members of the Camilist Union kidnapped landowner Samuel Plazas.

The authorities also announced that policeman Edison Agudelo Agudelo was kidnapped by members of the Camilist Union as he was on his way to Fraguas Corregimiento in Remedios, Antioquia, to cash a check.

The authorities and secret-service organizations announced that intensive operations are under way in an effort to rescue the hostages alive. At the same time, they urged local officials and political leaders to refrain from traveling alone to avoid falling into the hands of the guerrillas.

With this shocking wave of kidnappings, the number of such actions in Colombia so far in 1990 has increased to 120.

Opposition on Government's 'Political Partiality'

PA0403194790 Bogota Inravisión Television
Cadena 1 in Spanish 0118 GMT 4 Mar 90

[Text] As the presidential candidates close their campaigns, the opposition parties have criticized the government's political partiality. A declaration signed by the Social Conservative Party, Patriotic Union, Communist Party, Popular Front, and the Workers Socialist Party, warns that if this situation continues, they will request the presence of international observers to guarantee impartiality during the process prior to the presidential elections.

The opposition claims that complaints are useless because control organizations and the media are in the government's hands.

EPL Decrees One-Month Truce For Elections

PA0303192490 Hamburg DPA in Spanish 0117 GMT
2 Mar 90

[Text] Bogota, 1 March (DPA)—Today, the Maoist-oriented Peoples' Liberation Army (EPL) ordered all its fronts in Colombia to initiate a one-month truce. The measure's objective is to not interfere with the 11 March municipal and legislative elections.

According to an EPL message broadcast over a radio station, the unilateral truce has been declared because the rebel movement wants to "cooperate so voters may exert their right to vote."

The communique, signed by top EPL rebel commander Francisco Caraballo, criticizes the government's "silence" concerning the countless massacres of leftist and people's leaders.

The EPL reaffirmed its proposal of past months. The proposal calls for Colombians to authorize, through a plebiscite, the formation of a National Constituent Assembly that would prepare amendments to the Constitution.

All the rebel groups in the country and many leftist and traditional political sectors—including the governing Liberal Party and the opposition Social Conservative

Party—favor this proposal to solve the serious problems that are not discussed in the Legislative Assembly's ordinary sessions.

Contrary to this, another peoples' organization, the National Liberation Army, announced several weeks ago that it would increase its armed actions this year to sabotage the 11 March elections and the 27 May presidential elections.

13 Soldiers, FARC Leader Killed in Fighting

PA0503135790 Bogota Radio Cadena Nacional
in Spanish 1211 GMT 5 Mar 90

[Text] Bogota—Soldiers of the National Army's 4th Division are conducting intensive land and air operations to pursue a large FARC [Revolutionary Armed Forces of Colombia] column that killed three noncommissioned officers and 10 soldiers, and wounded five soldiers. According to an official report, the rebels used at least 50 kg of dynamite to blow up the General (Services) military convoy. In an ensuing clash, four rebels were killed, including the chief of that guerrilla front, who was FARC political leader Jacobo Arenas' bodyguard.

The ambush took place in the rural area of San Jose de Ocune, Vichada Commissariat, where the soldiers were engaged in control operations within the framework of the Democracy Plan. Second Sergeant Luis William Guerrero, First Corporal Israel Cardona Riano, Second Corporal Arcesio Salazar Hernandez, and soldiers Eugenio Ayala Ayala, David Berrios Paez, Pedro Caballero, Juan Carlos Armazo, Obeto Ormando Rios Guzman, Luis Bonilla Lopez, Avelino Enrique Alvarez Morales, Henry Borque Ruiz, Wilson Barreto Luna, and Jose Antonio Beltran were killed in the attack. The wounded soldiers are: Luis Enrique Liscano Jimenez, Hector Julio Alejo Gomez, and Elber Barreto. [four names as heard]

As for the four guerrillas killed in the military reaction, it was reported that their bodies will be transferred to Gaitan Port, Meta Department. Only one of them was identified. His name is William, alias El Mono, purported chief of the 16th FARC front and Jacobo Arenas' personal bodyguard. The fallen soldiers will be taken to Apia Base to receive military honors and their bodies will then be sent to their hometowns.

Ecuador

Protest Filed Against Panama Canal Toll Hike

PA0303183190 Hamburg DPA in Spanish 2033 GMT
26 Feb 90

[Text] Quito, 26 Feb (DPA)—Today Ecuador formally protested to the Panamanian Government a 20 percent hike in the toll for ships to cross the Panama Canal. This increase goes into effect on 1 April.

Pio Osvaldo Cueva, the Ecuadoran ambassador to Panama, submitted the protest after receiving specific instructions from the Ecuadoran Government.

Ecuador is the world's fifth most frequent user of the Panama Canal—first among Latin American countries—through which two-thirds of its imports and exports pass, making this nation's trade highly dependent on the canal.

Ecuador had protested to the U.S. Government in late 1989 about a 9.8 percent toll increase to use the Canal and its related services, stating that the hike was excessive, illegal, and against the free flow of trade.

President Rodrigo Borja's Social Democratic Government had tacitly, although not expressly, acknowledged President Guillermo Endara and his government, who allegedly won the May 1989 elections and reached power in late December after the U.S. military invasion of Panama overthrew General Manuel Antonio Noriega's regime.

Paraguay

Rodriguez Returns, Comments on Talks in Uruguay

PY0303025990 Asuncion Red Nacional
de Television in Spanish 0100 GMT 2 Mar 90

[News conference by President Andres Rodriguez with unidentified reporters at Silvio Pettirossi International Airport in Asuncion on 1 March—recorded; broadcast in progress]

[Excerpts] [Rodriguez] ...I talked at length with each of the Latin American presidents, even before we departed. I spoke with the president of Colombia, Dr. Barco, for the first time today. He requested a noon meeting with me, but we did not have time. I then asked to meet with him for at least a few minutes. We finally had a talk that lasted for more than an hour and a half.

We discussed various topics regarding our countries. Regarding drug trafficking, we committed ourselves to cooperating to contribute to the eradication of this scourge of mankind. We will therefore exchange information through the Colombian intelligence service. He told me to call him at any time and I told him that he could do the same. This is one of the positive results of these talks.

I also spoke with other colleagues and friends, such as President Sarney, President Menem, and former President Raul Alfonsin. I had very friendly talks with them, and I certainly believe that those meetings will contribute greatly to our rapprochement and a strengthening of relations among Latin Americans.

[Reporter] Any news on the Parana-Paraguay waterway?

[Rodriguez] Five of us Latin American presidents have signed an agreement on that topic. The presidents of Argentina, Brazil, Bolivia, Uruguay, and Paraguay have

agreed to create a commission that will study matters related to the Parana-Paraguay waterway. This commission, which will meet in Buenos Aires this coming April, will be made up of the public works ministers of each country. They will form a team with help from the IDB [Inter-American Development Bank] office in Buenos Aires, where feasibility and finance studies are being conducted.

Although there is still no legal structure, the waterway is already operating. You know that President Sanguinetti and President Sarney met in Corumba recently to observe the loading of manganese ore into barges that proceeded to travel down the Paraguay, Parana, and Rio de la Plata Rivers to the port of Nueva Palmira, from where the cargo was shipped to its final destination.

Bolivia, in another first, has sent barges loaded with soybeans down the waterway to the Nueva Palmira transshipment destination.

[Reporter] Were you able to talk with Chilean President-elect Patricio Aylwin? What did you discuss?

[Rodriguez] We talked about the situation in Chile, and he invited me to attend his inauguration ceremony. I promised him that I would be there. He was very considerate. We talked about the situations in our countries, and I noticed that Paraguay's situation is somewhat similar to Chile's—its history, its international wars, and its courageous people in war and in peace, just like our people.

[Reporter] Mr. President, following the triumph of the opposition in Nicaragua, what level of relations will our country maintain with that country in the future?

[Rodriguez] When Mrs. Violeta de Chamorro assumes power, I believe that Paraguay will be obligated to reestablish the diplomatic relations that were broken over the assassination of Somoza [in Asuncion in 1980]. If Nicaragua wants to resume diplomatic relations, Paraguay will oblige.

[Reporter] Will you attend the inauguration of Violeta de Chamorro?

[Rodriguez] It will be difficult. Traveling to Nicaragua takes a lot of time, and we have many things to do down here.

[Reporter] Will the election law be promulgated as it was approved by Congress, even though it does not fully respond to the executive branch's concerns expressed in the original document?

[Rodriguez] The executive branch election bill was submitted to Congress in a spirit of cooperation with Congress, not as an effort to impose a law. Congress, as a body of lawmakers, was free to analyze, amend, reject, or expand the election bill submitted by the executive branch. Only history can prove that the election law was written in an effort to secure benefits for the entire Paraguayan people. [passage omitted]

[Reporter] When will the election law be promulgated, Mr. President?

[Rodriguez] The election law will be promulgated when it is back in my hands. [passage omitted]

Rodriguez on 'Exaggerated' Human Rights Report
PY0203115490 Asuncion *ULTIMA HORA* in Spanish
1 Mar 90 pp 12, 13

[Report by Cesar Omar Ferreira and Ruben Alfonso]

[Excerpt] Montevideo—As soon as he arrived in this city, General Andres Rodriguez, president of the Republic of Paraguay, categorically denied that human rights are still being violated in Paraguay as they were during the Stroessner regime. In response to questions by reporters from several Uruguayan media, Rodriguez responded: "There are no human rights violations in my country."

Rodriguez said that, as soon as he took the reins of government in Paraguay, all pertinent measures were taken to make human rights respected throughout Paraguayan territory. "Therefore, as soon as we assumed power, we submitted a bill to Congress asking for the ratification of the San Jose de Costa Rica Pact. This was the first law promulgated by the executive branch," the Paraguayan president explained.

Rodriguez also pointed out that, since he took over the government, the country has full freedom of the press "and all other rights established by the Constitution and Paraguayan law. Therefore, I consider the reports stating that human rights are still being violated in my country to be a bit exaggerated," he added. [passage omitted]

Rodriguez Confirms Decision To Step Down in 1993
PY0203221190 Asuncion *EL DIARIO* in Spanish
2 Mar 90 p 11

[Text] Montevideo—President Andres Rodriguez yesterday reaffirmed his decision to transfer the power of government in 1993. He stated that this decision is final.

Asked if he would run for reelection in the next general election in three years, the Paraguayan president answered: "No, sir. I have already made my decision: In 1993 I will hand the government over to a citizen elected by the people."

On leaving Government House, where new Uruguayan President Luis Alberto Lacalle Herrera was sworn in, the Paraguayan president stressed the importance of waterways for integration and regional development. He said that, although there is no legal basis or agreement, the waterways are already being used.

He went on to say that the first shipment of Bolivian soybeans has already reached Puerto Palmira over the Parana and Paraguay Rivers and through the ports of the La Plata river basin.

Referring to the presidential succession in Uruguay, President Rodriguez said that it represents a true expression of democracy. "We have attended an important act in the political life of a Latin American nation like Uruguay," he said.

Rodriguez noted that the transfer of power has taken place in a cordial climate and that the government of Julio Maria Sanguinetti has successfully completed the transition period "just as I am doing now. Power has been transferred through the people's decision at the ballot box. We are confident that Lacalle will carry on the democracy that is being experienced by almost all Latin American countries," he concluded.

Executive Branch Promulgates New Electoral Code
PY0303224790 Asuncion *ULTIMA HORA* in Spanish
3 Mar 90 p 8, 9

[Excerpt] The executive branch has promulgated the new Electoral Code and thus decreed the death of Law 886/81, which facilitated the electoral farces of the Stroessnerist period. Another important step has been taken, even though the new law contains various obsolete aspects that must be modified once the new Constitution is amended.

The executive branch promulgated the Electoral Code without any hesitation. The promulgation of the Electoral Code means Law 886/81—which established a juridical body to serve the Stroessnerist regime—is automatically repealed.

The government decision disproves all rumors saying it would veto parts of the code, particularly the section on electoral justice. The code was approved as it was submitted by Congress, without modifications. [passage omitted]

Peru

Lawsuit Filed in New York Demanding Debt Payment
PY0303002890 Buenos Aires *DYN* in Spanish
0010 GMT 3 Mar 90

[Text] Lima, 2 Mar (AFP)—Peruvian Economy Minister Cesar Vasquez Bazan reported here tonight that creditor banks today filed a lawsuit in New York demanding that Peru pay a debt estimated at \$3.4 billion. Peru's debt to 230 international private banks totals \$7.8 billion.

Economy Minister Comments

PY0303045090 Lima *Television Peruana* in Spanish
0100 GMT 3 Mar 90

[Excerpts] [Announcer] The creditor banks committee has initiated legal action against our country for the payment of part of our foreign debt, although this will not resolve the threat of legal procedures against Peru. It was reported that this committee has been requiring greater payments on our country's foreign debt and

demanding that President Alan Garcia sign a decree. Here at the studio is Economy Minister Cesar Vasquez Bazan, who will elaborate on this information. Good evening, Mr. Minister.

[Vasquez] Good evening, dear countrymen. As the public knows, many years ago different governments—the military government and the Popular Action and Christian Popular Party [PPC] administrations among them—contracted foreign debts. Those foreign debt contracts were concluded under burdensome conditions for the country, establishing high interest rates and submitting our country to the laws of the State of New York. At the proper time, in the first half of the 1980's, those operations were criticized by the popular parties and nationalist politicians.

Peru now finds itself in a situation of negotiating with the creditor banks. What has happened? In recent days, between 28 February and 2 March, the six-year technical statute of limitations ended. Due to this clause, creditors can no longer take court action on Peru's debts. For this reason, a few weeks ago the creditors and the Peruvian Government initiated a series of negotiations aimed at averting problems both for the country and the creditors.

On about 15 February, after a long process of negotiations in which technicians, lawyers, and economists from various parties participated, the Peruvian Government sent the creditor banks a fax with a proposal to suspend the statute of limitations with the creditors. The banks responded a few days later to this first proposal, dated 15 February, with two counterproposals.

The first proposal indicated that the banks did not accept the 180-day deadline; instead they requested three years. The government, in evaluating those proposals and acting responsibly for the next administration, understands that we have to expand that deadline, but only for one year. I insist on this as a sign of responsibility for the new government.

In their second counterproposal, the banks requested that debts contracted up to 1983, as well as those of 1984, be included. I want the Peruvian people and public to be aware of the fact that these debts that are now being called in by the banks were not contracted by this administration but by the Popular Action and PPC government, and the military government.

Because the 1984 debts will fall under the statute of limitations in 1990, the government found this second request acceptable. We sent a second fax on 27 February, proposing that the payment deadline be neither 180 days nor three years; we proposed one year, with the 1984 debts included. This proposal was virtually accepted by the creditors. [passage omitted]

A waiver had to be filed by 1000 New York time on 28 February 1990. This was done. A second document from our lawyers in the United States, White and Case, reports on 28 February—please note the date—that all these documents sent by the Peruvian Government—

that is, the second fax bearing the minister's signature and the signatures of the presidents of the executive boards—have been submitted to the Banking Committee.

This is an important part in the communications with our lawyers. It means that we understand that, since the steering committees received these confirmations, no bank would initiate court action or legal proceedings against our country. This was obviously done in the understanding that we were conducting serious negotiations with the creditor banks.

Since 28 February, however, the creditor banks have strangely made new demands, such as for the promulgation of a government decree in which the president of the Republic will guarantee the signature of the finance and economy minister. This is an unprecedented case, and our lawyers White and Case sent us a new fax today, 2 March, indicating that a decree from the government has been requested. [passage omitted]

This latest demand for Peru to issue a decree was received in the last hour. We believe that Peru is a sovereign nation with a Council of Ministers that does not meet at the request of a creditors committee, but rather has to act on legal, technical, and economic information and political data that must be taken into account when making a decision. Why then has a steering committee, apparently badly counseled by a firm of ostensible Peruvian lawyers—who have practically suggested the need to have the decree signed—made this recent request? Why has it made this request at this time, ignoring a law of the Peruvian Republic, Law 25150 on the foreign debt, promulgated on 28 December 1989. Article 10 of this law authorizes the reformulation of the foreign debt to adjust it to the country's ability to pay.

We really cannot understand why these Peruvian lawyers have given this bad advice to our creditors, which has led some banks to file actions against Peru. [passage omitted]

Police Protection for Candidates Announced

PY0303143490 Lima Domestic Service in Spanish
1100 GMT 3 Mar 90

[Text] Peruvian Interior Minister Agustin Mantilla Campos has announced that, beginning next week, vice presidential candidates and those who are heading independent tickets, will receive police protection against subversive attacks.

[Begin recording] [Mantilla] We have ratified the security measures provided for presidential candidates. At this moment, we are also implementing these security measures for vice presidential candidates. Later this week, or next week, we will surely extend these security measures to those who are heading independent tickets.

[Reporter] It is important to ensure the supply of electric power, a vital step to prevent (terrorists) from coming close (to the candidates). [words indistinct]

[Mantilla] Right. Unfortunately, at this moment, I believe this is not a problem of towers being knocked down, but an energy problem.

The drought we are experiencing is preventing the hydro-electric power plants from operating at full capacity. This is actually the problem. [end recording]

Barrantes on Campaign

PY0203223290 Lima Television Peruana in Spanish
1700 GMT 2 Mar 90

[Text] Alfonso Barrantes Lingan, presidential candidate for the Movement of the Socialist Left, has urged Mario Vargas Llosa to be more cautious in his remarks, especially when referring to economic matters. Peru's image must not be damaged, he said.

[Begin recording] [Barrantes] Politicians must be asked to think more about the country and less about criticizing or offending opponents. They apparently want to put Peru on trial, and this is not right. They are behaving poorly because they want to lead the government. But I think attacks against opponents must be appropriate.

Despite our differences, Peru needs peace and all our contributions. If they want to put Peru on trial, we must form a common front to prevent it. We must call the economy minister or visit him and tell him: Listen, I have received this report. What is going on? The country is at stake. It does not affect only President Alan Garcia or the APRA [American Popular Revolutionary Alliance]; it affects the whole country. I therefore want to urge politicians from every party to be more cautious in dealing with these matters. We must confront each other in an electoral battle, but we must never forget that the country must be respected.

[Unidentified reporter] Dr. Barrantes, why are you so sure there will be a second round of elections on 12 April?

[Barrantes] All analysts agree on this point. However, although I have great confidence in the poll results, the Nicaraguan elections show that the dove can be killed by overconfidence, as Cervantes says in "Don Quixote." We must use this as a reference, but not as a final example. The pollsters and analysts believe there will be a second round of elections. I think it would be good for the country to have a runoff election; under these circumstances, the dialogue for national accord that I am strongly promoting could take place before the runoff. [end recording]

Shining Path Military Chief Reportedly Captured

PA0403025790 Paris AFP in Spanish 0223 GMT
4 Mar 90

[Text] Lima, 3 Mar (AFP)—Julio Cesar Mezich, the military chief of the Maoist Shining Path guerrillas, was captured today, 3 March, in the Blanca Mountain Range in the Andes Mountains, some 450 km northeast of Lima, Panamericana Television, the principal Peruvian radio and television network, reported tonight.

Peruvian authorities have remained silent on the arrest of Mezich, while other media in the country also reported, citing reliable sources, the arrest of the so-called military organizer of the Shining Path guerrillas.

Terrorists Kill Local Democratic Front Leader

PY0403223290 Madrid EFE in Spanish 0147 GMT
4 Mar 90

[Text] Ayacucho (Peru), 3 Mar (EFE)—The National Police reported today that this morning alleged Shining Path terrorists shot and killed Julian Huamani as he was leaving his house in Ayacucho.

Huamani, who worked on the most important irrigation project for the Ayacucho Department, was the culture and ideology secretary of the Democratic Front headed by Mario Vargas Llosa.

The terrorists left leaflets in Ayacucho threatening to kill all presidential candidates running in the 8 April general elections.

February Inflation Rate Reaches 30.5 Percent

PY0203030290 Lima Television Peruana in Spanish
0000 GMT 1 Mar 90

[Excerpts] Felix Murillo, head of the National Statistics Institute, today reported that the inflation rate in February stood at 30.5 percent.

[Begin Murillo recording] According to surveys conducted at markets and stores, the inflation rate in February reached 30.5 percent. The January and February accumulated inflation rate is 69.5 percent. Over the last 12 months—from March 1989 to February 1990—the accumulated inflation rate is 2,221 percent. [passage omitted]

From October 1989 to January 1990, the productive sector has grown an overall total of 9.8 percent. [end recording]

Uruguay

Six Latin American Leaders Arrive in Montevideo

PY0103014690 Montevideo Radio Carve in Spanish
0015 GMT 1 Mar 90

[Text] Six [as heard] presidents who will attend the presidential inauguration ceremony tomorrow have

arrived in Montevideo. They are Argentine President Carlos Menem, Brazilian President Jose Sarney, Paraguayan President Andres Rodriguez, Colombian President Virgilio Barco, Bolivian President Jaime Paz Zamora, and Chilean President-elect Patricio Aylwin.

The six were received at Carrasco Airport by President Julio Maria Sanguinetti. Tonight they will attend a reception offered by President Sanguinetti at Government House.

Report on Prospects for Lacalle's Government

PY0103005690 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1231 GMT 28 Feb 90

[Report by Marcelo Brusa]

[Text] Montevideo, 28 Feb (AFP)—Luis Alberto Lacalle, a center-right leader of the nationalist Blanco Party, will take over on 1 March—for the 1990-1995 period—facing a climate of labor unrest, imminent economic crisis, and growing movements to the political left.

To overcome these problems Lacalle has sought a coalition with the liberal Colorado Party, currently in power. The two parties, however, were only able to agree on certain items, enough to guarantee Lacalle—in exchange for four out of the 12 ministries—the necessary congressional support for approving various controversial projects that are opposed by labor unions and the left.

The most opposed proposals include a general tax increase on consumption, a proposal on higher fiscal retentions on salaries, and the privatization of public enterprises. These measures seek to drastically reduce the fiscal deficit from a projected eight percent of the gross national product to 2.5 percent.

Lacalle, 48, a lawyer, a rural producer, and a practicing catholic, also wants to modify the education law—a measure that is sure to fuel new conflicts—and to regulate the right to strike, the mere mention of which is enough to make the powerful leftist unions scream.

Uruguay, with a population of only 3 million, was in the past few years an atypical island of economic stability between Brazil and Argentina. Uruguay was also a refuge for capital that sought to escape these countries thanks to a deregulated financial system.

The happy trends, however, suffered a downturn during 1989 under the burden of a \$6.5 billion foreign debt—the equivalent of five years worth of Uruguay's total exports—a rising fiscal deficit (6.5 percent of the gross domestic product), an inflation rate of 90 percent, and the government's inability to maintain the purchasing power of salaries.

The mere announcement of the impending economic adjustments—which will provoke a recession, unemployment, and a reduction in the purchasing power of salaries, according to the people responsible for the proposal—has already provoked a virtual declaration of

war by the all-powerful leftist united labor federation PIT-CNT [Interunion Workers Plenum-National Convention of Workers].

The professional associations have also denied Lacalle a 100-day truce and have warned of social upheaval.

The military has compounded the difficult situation with its criticism of Lacalle's announcement that intends to sidestep the order of military seniority and name two trusted officers to head the Navy and the Air Force.

Military spokesmen have admitted that the decision hurt and has created unrest in the Armed Forces.

Rear Admiral James Coates will probably be named Navy commander, despite the fact that he was promoted to the rank barely a month ago. Coates' designation will force all admirals, with the exception of himself and one other admiral, to retire.

Meanwhile, the traditional Blanco and Colorado parties have seen the two-party system that has dominated Uruguay from its birth, shattered by the advance of the left in the 26 November election. For the first time, the left reached important levels in this election.

The Broad Front coalition (Communists, Socialists, Independents, and former Tupamaro guerrillas) was able to get Marxist Tabare Vazquez elected as the mayor of Montevideo, the most powerful post after that of the president. Montevideo accounts for over 40 percent of the population and more than two-thirds of the country's economic activity.

This situation will force the socialist-Marxist mayor and the neoliberal center-right president to seek some kind of cohabitation arrangement. The two leaders have already publicly and vigorously disagreed on departmental government prerogatives. Meanwhile, Uruguay continues to support a strong presidential system.

Many political analysts have argued that the Colorado-Blanco understanding was forged precisely by the advance of the left. Colorados and Blancos have historically been adversaries and have fought each other in various civil wars during the past century.

Analysts are wondering, just a few days before the transfer of power, how can the political left and the professional associations and students answer new government proposals.

There is also the question of the stability of the Blanco-Colorado coalition and the capacity of the government to maneuver when the proposals over new taxes, privatizations, and the right to strike reach Congress.

The concern is more justified considering that Uruguay is a very politicized country where any government, municipal, or union proposal is exhaustingly and vehemently discussed in Congress, the universities, the bars, or the stadiums.

Sanguinetti's Farewell Message to Nation
*PY0103021390 Montevideo Domestic Service
in Spanish 0000 GMT 1 Mar 90*

[Address to the nation by President Julio Maria Sanguinetti; date and place not given—recorded; broadcast in progress]

[Text] I wish to say goodbye to my fellow countrymen. I do not want to seem either nostalgic or happy. We have worked nonstop for five years, and that gives us the peace of mind of having made our greatest effort. We are leaving the government without any resentments and without any hatred. I am very thankful to those who accompanied me in my administration and whose capability, consistency, and seriousness is well known, beginning with Vice President Tarigo, whose moral character has consistently helped me. I am thankful to all the workers who, in some place or other in this country, contributed to its growth and its increased exporting capacity. I am thankful to all citizens, who—whether agreeing or disagreeing—have lived in peaceful coexistence, something for which we have fought so much, and which today is a reward for our effort.

We have not worked for anything more than for the consolidation of democracy, the respect of the people's rights, the restoration of our institutions, and the healing of our old wounds. At the end of our term we see that we achieved our objectives. This was only possible thanks to the Uruguayan people's attitude. Naturally the president of the country has the great responsibility of leading the rest, but no president can prevent at least a few people from going astray.

Therefore we feel gratitude, recognition, and great peace of mind. We did the best we could. We never wished anyone any evil, even though we may have made many mistakes. Above all we avoided many evils, many [word indistinct] evils. We avoided many imminent confrontations. We avoided the financial disorder that turns up as soon as one lowers one's guard for a second. We avoided economic imbalance, despite the foreign debt and the bankruptcy of banks, despite the low prices of our export products, and despite the drought that affected us this last year and a half. That is how we looked after everyone's tranquillity and rights, because governments are meant both to do things and to avoid doing other things, although the latter may not be evident.

This country is no longer the same as it was in 1985. Uruguay now has prestige and respect abroad. Uruguay now has markets abroad. We knocked at every door to sell our products, and everyone sold his wool, meat, milk, wheat, and rice—even at critical moments. Four years in a row this country broke its own export records. This country is more united, it has more communications, its roads are improved, its bus services have been modernized, and its telephone network improved. For the first time there are more homes in the interior with electric power than in Montevideo. There is more work

in this country and salaries have improved. It is true that they are not enough, but they are considerably better than they were when we began.

Today I do not want to tire you with numbers, but no one can argue about this. The facts are evident. Consumption has increased; that is why more taxes are being paid. The state now collects 40 percent more in value-added tax than it collected in 1985—in real terms—because there are 40 percent more of products sold on the market. This also means that there are people producing and consuming those products.

People. Those people know how much progress we have made. Those who especially know are the weak, the poor, the retired workers, and those who receive old age pensions—people whom we always protected—as well as the thousands of disabled people who received pensions, the children of the poorest Montevideo neighborhoods who today have new parks, the peasants who obtained houses, the 150,000 or 160,000 new members of medical insurance programs, and the mothers whose newborns were saved.

We administered the country with prudence. We know that more than once we disappointed many with our strictness. However, you see that despite our rigor and our vetoes of so many laws, many problems still remain. A country cannot afford to lose its balance, just as [passage indistinct] cannot lose its balance. That is why the new administration must be supported in its effort to combat the [words indistinct] which will now increase greatly as a result of the new retirement pension law recently approved in Congress, if it is not financed appropriately.

We are members of a country without [word indistinct], dedicated to hard work, a country which fully enjoys its rights, guaranteed by an authentically democratic administration, without the fears or ghosts that undermined our expectations five years ago. We are living in a country without fears. Our institutions are more alive today than ever before. On 1 March 1985, five years ago, I told Congress that my greatest ambition was to pass the presidential sash to another president elected by the people. I will do so tomorrow.

I call on the youth, in particular, to feel the thrill of this peaceful transfer of power, which is so different from the bloody effort that East European youths have had to make to overcome the Marxist-Leninist dictatorships, or from that of the Latin American youths who have had to rescue their freedoms from reactionary authoritarian regimes. Let us look after our democracy. You especially must look after it. Do not forget that it takes only a moment to topple things. It is hard to build, but it is not hard to dismantle—be it for lack of tolerance, demagoguery, violence, or hatred.

To my successor, Mr. Lacalle, today I express my best wishes. He is a young, intelligent, honest man. He is cultured and he knows the country well. He is coming to the presidency after years of political and congressional

work, and we have always seen him behave with a constructive spirit. The citizens have observed it, and that is why they have entrusted him with this responsibility, believing that he will be a good president.

He is receiving a country different from the one I received. The challenge now is not to restore democracy but to maintain it. It is not to reactivate the economy but to modernize it. It is not to attend to the social emergencies but to make the demands compatible with the possibilities. We wish him the best of luck, and once again we guarantee him our personal effort, which we have already demonstrated by helping in the national cause, as we have done since the first day he was elected.

Friends, we are returning to our home and to [word indistinct], without any public responsibilities but with a large patrimony of love and respect, which I observed this past month as I toured the country. In many places I have felt the love of many friends, and of many who are not friends, but whom I truly thank anyway.

I will again mention the subject of my family. Let me express my thanks to my wife, Marta, with whom we will celebrate 30 years of marriage on 7 March, and to my children, who have in the past years graduated from college and gotten married. They all accompanied me and gave me their love. They have always counseled me well and with prudence. They accompanied me in silence, with discretion and seriousness. They always remained there. It is good for me to say so today, as I bid you farewell, so that all of you may also be witness to something that is very personal and touching. To all of you: Thank you.

I am saying goodbye to all of you, but I am not leaving. I am saying good-bye to the presidency but not to you my friends. As of tomorrow I will return to be what I have always been all my life, one more person making an effort for the noble country that is Uruguay, one more person working, one more person with faith in freedom and in the honor of the people. Good evening.

Lacalle Gets Presidential Sash, Installs Cabinet

PY0103214090

[Editorial Report] Montevideo Radio El Espectador Network in Spanish at 1830 GMT on 1 March begins live coverage from the Estevez Palace in Montevideo of the ceremony at which outgoing President Julio Maria Sanguinetti transfers the presidential sash to newly inaugurated President Luis Alberto Lacalle Herrera. At 1854 GMT, after signing the official document, Lacalle receives the presidential sash from Sanguinetti. The incoming and outgoing presidents then exchange brief protocol speeches in the presence of visiting foreign presidents and dignitaries.

At 1919 GMT, President Lacalle signs the respective decree and administers the oath of office to the following ministers who will serve on his Cabinet:

Interior	Juan Andres Ramirez
Foreign Affairs	Hector Gross Espiell
Economy and Finance	Enrique Braga Silva
National Defense	Mariano Brito
Education and Culture	Guillermo Garcia Costa
Transportation and Public Works	Wilson Enso Goni
Industry and Energy	Augusto Montes de Oca
Labor and Social Security	Carlos Cat
Public Health	Dr. Jose Alfredo Solari
Livestock, Agriculture, and Fishing	Alvaro Ramos
Tourism	Jose Villar

At this point, a reporter notes that Julio Lago was not sworn in today as housing minister because the Housing Ministry is yet to be created. Coverage of the ceremony ends at 1932 GMT.

Lacalle's Inaugural Address

PY0203202090 Montevideo Radio El Espectador Network in Spanish 1705 GMT 1 Mar 90

[Inaugural speech by President Luis Alberto Lacalle from the Hall of the Lost Steps of Congress in Montevideo—live]

[Text] Mr. President of the General Assembly, Mr. President of the Supreme Court, legislators, presidents of friendly countries, representatives of the diplomatic corps, ministers, leaders of political associations present in our country, ladies and gentlemen:

At the beginning of this term for which I was elected by the people last November, I must speak to the country and its legitimate congressional representation to convey some of the ideas that from now on will occupy the center of my concerns and hopes.

The elections for legislators and members of the executive branch have once more been exemplary. They are a legitimate source of national pride. Never is a Uruguayan more Uruguayan than at the ballot box, exercising his rights, and respecting and demanding respect for his civic duty. The legitimacy of our system is, without a doubt, exemplary and irreproachable. This legitimacy makes power responsible, strong, and humble.

However, we must ask ourselves if this legitimacy is the end of the political process. Is it the end of people's participation? No, absolutely not. We are mistaken if we assume that the value of the system ends in the electoral process. We must recall that the election is only an instrument of the political process. It is a necessary step but only the threshold of the really important matter: the exercise of power, the justification of the responsibility granted by voters.

Our responsibility begins now. We must show the ability to dig deep into our problems and identify the aspects of our social, political, and economic organizations that are in need of reorganization. We must show efficiency in implementing changes. These are the challenges that face us.

The quality of our democratic and representative system will be valued to the extent that we can solve these problems and answer the questions our fellow countrymen ask themselves every day. Our solutions will serve as the measure of our government and the judgment on our administration.

We do not think we wrongly interpret the mood of Uruguayans at this time: All of us eagerly want our political system to create the conditions for prosperity, awaken the sleeping forces, shake off our drowsiness, renovate our energies, heat up the dormant spirits, open the closed paths, clear the mist from the roads, and restore the lost hopes for better days to come.

Searching for deficiency in the administrative system, we set as our goal the establishment of a government of national coalition and of national accord. Through joint effort, this government will implement the political will of the people.

Before the elections, we proclaimed this intention. After the election returns were announced, we tried to implement it. Now, we are consecrating it before you. The national political scenario includes a majority congressional accord between the National and Colorado Parties, which will support an innovative, modern legislative plan to introduce changes in the administrative process. This accord has great political force. Although preserving their identities and their profiles, the two parties realized that now is the time for a fruitful national accord. This accord is an auspicious indication of our political future. It represents the triumph and success of our dialogue—and honor for those who have been holding talks with us in the last few weeks. This accord allows us to come before you not as the representatives of the National Party, but as the representatives of the accord reached between the National Party and Colorado Party, which, with generosity and grandeur, offered us its support. [applause]

The talks that this administration will hold with all sectors of our political world will go beyond the accords reached by our historic parties. The congressmen, who have expressed their will to cooperate with this administration, will discuss topics such as education, state reorganization, and the new characteristics of our social security sector. The Broad Front and New Space senators have expressed their patriotic disposition to contribute to the success of this task, although they are part of the opposition and may sometimes disagree with us. We know that their opposition will be reasonable and have a sound basis because they have a positive spirit, which we value very much. [applause]

Seeking this accord, which we have finally achieved, we did not avoid discussing the major topics or holding fruitful political dialogue. Very much the opposite; we believe that we [word indistinct] every time we make the process become more fruitful and the results more secure. We are not always unanimous in our decisions, because we are a people made up of free citizens. We are not afraid of disagreements, nor of different ideas. In an atmosphere of controversy we grew and became better people. We cannot (?forget) that we must catalyze and guide the will of the people; we must implement their will and learn to make choices.

Now that we have obtained the required majority of votes and the legitimacy of the government has been approved, the laws are being fully and sovereignly implemented. No one and nothing can legitimately oppose its full enforcement. [Word indistinct] the concept that is the basis and the (?goal) of our social organization.

The world today, gentlemen legislators, is changing. The driving forces today are the freedom of individuals and the independence of nations. These are two terms in the eternal equation of history. Nations are reborn almost by miracle as a result of the strong collective will that raises new flags, resuscitates old languages, and removes cultural obstacles. Individuals jump over fences, walls, prohibitions, and fear. Nations and individuals are confronting old and new challenges.

The old challenges: freedom within order, satisfaction of basic needs, education, appropriate technologies, freedom of trade, respect for the principle of sovereignty. The new challenges: the effects of the mass communications media, the destruction of the environment, the consumer mentality, unchecked materialism, bad living conditions, and new forms of violence, alienation, and evasion.

Our Ibero-America stands in the midst of this world, happily beginning the decade under the common sign of democracy. Our challenge is to make democracy compatible with economic growth. In this task we should count, above all, on ourselves, but without expecting miracles.

This Latin America—this Spanish America—must raise its voice in the international community despite its economic problems. This voice is heard by the industrialized world only when it speaks about some worrisome topic such as drug trafficking or the destruction of the environment. Many other times no one hears our voice.

This voice should resound louder and louder to make the world aware of our situation and the legitimate aspirations of our peoples. We should make our voices heard to solve our trade problems, which will be discussed at the end of this year during the Uruguay round of talks.

Our voice should also be heard calling for a final solution to the problem of the foreign debt, which American countries carry as a cross on their shoulders, and for participation in the opportunities of [word indistinct].

Our voice will be heeded more if each one of our countries demonstrates the internal will to adapt our economic and social institutions to current conditions, always recognizing in the economic and political blocs that exist elsewhere a new and inescapable reality that we cannot change and to which we must adapt.

The strengthening of ties in the River Plate Basin should be an important response to this new era. This association should be news to the world of an important geopolitical entity. We should give notice that here, too, we can begin our transformation and awakening.

If we can accomplish this, we will complete our 500 years of shared history—which we will celebrate with Spain in 1992—in democracy, with consolidated development and a strong voice.

We Uruguayans carry the fatherland on our shoulders. We love and want to improve our country, looking at it not only as it is now, but as we want it to be in the future. [applause]

To achieve this development, we summon all Uruguayans. We summon businessmen who, risking their capital and their creativity, seek a sound profit and generate wealth and jobs for them and the community. Real entrepreneurial spirit will have the support of general, predictable, and permanent policies. From these fellow countrymen, the government expects authentic modernization and a fair appraisal of labor and salaries, which are essential components of the entrepreneurial equation.

We also summon the workers. They are the sector most affected by inflation, which delays the education of their children. The deficient public services are more expensive for them than for any one else. We will defend the purchasing power of their salaries and of our currency. We will reorganize the educational and social security systems, thereby ensuring the right to life and progress. The workers, who are committed to the welfare of the country and willing to produce, (?will have more participation) in the life of the country. We will grant them ways of (?democratically) deciding their (?labor situation) by protecting their rights and their autonomy to decide.

We address the youth, those who are here and those who are far away, so far away that to listen to this ceremony they must modify their schedules. We address them perhaps more than anyone else. Blood of our own blood, a Uruguayan presence in all latitudes of the world demonstrating our spirit of honesty, labor, and decency and filling us with pride. To them, to those who are here and those who are not, we know they are the ones hit hardest by our national crisis. They were affected by their education, which is not in keeping with modern times. They were affected by unemployment as they began their adult life, wanting to establish their own homes and therefore having to emigrate. They were

affected by the housing shortage. But above all else, they were affected by the killing of their hopes. For them we believe [words indistinct].

The political [word indistinct] and the respect for the institutions that are the most valuable assets of our national community, have been consolidated during the administration of my illustrious predecessor Julio Maria Sanguinetti. [applause]

It is fair now to acknowledge the achievement of this citizen and his political party. We have left behind the traumatic times of violence and institutional break down. With the aid of a democratic government and its natural pluralism, Uruguay has recovered its own essence and no one has the right to threaten it. If it is threatened, I proudly and firmly proclaim that I will be a worthy Armed Forces commander. [applause]

I thus promise to exhort all Armed Forces personnel to pursue their vocation and to always obey the law and constitution in order to safeguard national peace and freedom for all Uruguayans.

Several generations have been told, when not taught, that our country is poor and small. Such an assertion is a thousand times wrong. From the productive [words indistinct] to the courageous spirit of adventure of the Artigas Antarctic base in the south, where our soldiers are currently listening to us, I categorically reject such a negative assertion.

Our fields, seas, geological strata, and rivers are filled with unexploited opportunities. We must exploit them immediately. What will be the lever, the driving force of this revival? As everywhere else it will be initiative, inventiveness, courage, and entrepreneurial spirit. Now that ideological molds have become obsolete and the vain attempt to classify and restrain desires and hopes has been smashed, the lust for progress that is natural to all humans becomes, once again, the driving force of nations and people.

For a long time we implemented a socioeconomic system which, although it sought total security, killed the spirit of risk that brings one close to prosperity. Therefore, we must pull down the barriers. The first barriers that must be removed are the concepts which remain in the national subconscious. May the force of change, of possible change, of real change, prevail over the force of immobilization and unhealthy conservatism.

Technical capacity, capital, and labor opportunity is a trilogy we must promote by creating the necessary legal conditions, by announcing and implementing stable policies, and by guaranteeing that he who makes a greater effort, be him worker or businessman, receives a greater reward. [applause]

From the ethical point of view, nothing can substitute the concept of (?punishment) for corruption, and laurels for virtuousness recognized in the constitution. From the social point of view we are living through a period of

collective uncertainty that is the result of many years of collective ignorance of our problems. These feelings have, to a greater or shorter extent, overwhelmed all of us. It is alarming to observe that our social structure is being divided into those who have, may have, and are waiting to have, and those who do not have, may not have, but are also waiting to have.

There will be no legitimate progress without a collective effort to benefit our fellow countrymen, our brothers, who daily demand housing, health, and education. To such an unfair situation, we will not respond with indifference, but with sensibility; by seeing in each Uruguayan a brother, a son of God, like the rest of us. [applause]

We believe governments should not be held responsible for the happiness of the individual, but that they must create the conditions to allow the individual, with equal opportunities, to achieve his happiness through his own efforts. We also believe the government, the state, should be the one to change to avoid becoming an obstacle or dead weight for society. Government, administration, and state must resume their role of being a means to attain something rather than an end in themselves. Government, administration, and state must adjust their powers to stop being oppressive. They must restructure their size so they are not (?vetoed). They must redefine their functions so they do not intrude in the natural jurisdiction of the individual.

Concerning the streamlining of our state structure, we want to emphasize one task in particular, without under-rating others. We are convinced that all of us are involved in this very delicate task: educational reform.

The approaching millennium has a single word as its sign and symbol: knowledge.

More than natural resources, the size, or geographic location of countries, it is both knowledge and information that determines mankind's dominion over things, that determines our own existence and prepares our future.

We Uruguayans, urged by our first chief [of state, independence hero Jose Gervasio Artigas] to be both courageous and learned, today must resolutely muster the courage to better educate ourselves.

Because it provides permanent values or technical abilities appropriate for one's life, there is nothing more important to us than education, the education of our youth, of our citizens in general, a permanent education that will form and shape better and more qualified citizens.

From kindergarten to higher education, everything must be reviewed with a critical spirit, with a realistic approach, and with the urgency of necessity.

To this end we pledge our government's efforts, since we are convinced this is our country's main task at this time.

Without detracting from this crucial issue, and realizing this enumeration is not complete, we must present to the legislators some issues on which we will submit bills in due time. These proposals should include a critical analysis of the state's role in the economy and in the social and [word indistinct] services.

More than ideological and programmatic proposals, which in our opinion are inconclusive, it is, or should be, everyone's concern to adjust the operation of state-run enterprises and services to achieve the common good. This is what we created them for.

On this issue, we start with one preconception; it is clearly the user and the taxpayer, who has a right to good services, who can judge their efficiency.

The people have a right to receive modern, efficient, and low-cost insurance, telephone, transportation, electric, and other services run by the state.

Devoid of a conservative spirit, without committing ourselves to any prepared formula that freezes everything in time, we must dare to be imaginative, to adjust the state structure for the achievement of popular benefits, ultimately for an improved standard of life for all inhabitants of the republic.

The social security system deserves the redoubled attention of this Congress when, within a few days, it will review and consider a bill to overcome pressing situations. However, as time goes by, Congress will be the place where a great national debate will have to be held on the destiny of a social security system, which, the way it is organized today, does not offer a safe future to our country's inhabitants.

We will immediately submit to Congress a fiscal adjustment proposal. The magnitude of the current budget deficit prevents us from getting rid of the inflation problem. The executive branch does not intend to balance the fiscal accounts by merely increasing taxes. This government, this administration promises to significantly reduce public expenditures and fight tax evasion in all sectors to do away with an unfair situation, probably the most serious ever experienced by our society. This government will especially struggle against contraband that impoverishes the state and strips the Uruguayan people of job opportunities.

The fiscal adjustment we will submit to Congress will represent the beginning of an economic era, in which a controlled inflation rate will create the necessary conditions to encourage savings, to prevent capital being used to acquire government bonds, to encourage investments, a subject which the legislators will also have to look into.

Messrs. legislators, in referring to legislative activities, I wish to make some proposals because I believe that having been a legislator, I have some authority to talk about this subject. Sometimes our country excessively regards the law as the adequate tool to solve problems. Almost 16,000 laws are registered in our country. But

many times a great gap separates law from reality, thus making the former ineffective and the problems unsolvable. In a democratic, representative system we must take care of this gap because the law may lose contact with reality and not be worth the paper on which it is written. In the meantime, the people facing daily problems begin to forget that the democratic process can help them with problems of daily life.

Let us think about our Minors Code, institutions, and minors police station [comisaria de menores], all of which are good subjects for congress. That is all very well on paper but the truth is quite different. Besides this sad problem there are many others.

In other words, beyond the technical aspects, beyond the recognized capability of the Uruguayan Congress, that works responsibly during its sessions and within its commissions and with a cooperative spirit among the political parties, we must think about the impact of the law once it is enacted by the executive branch.

Your Excellency, President of the Supreme Court, we believe this subject leads us into the judicial field. Citizens who go to court to demand what they deserve, to modify family situations, to seek redress of a damage or the punishment of a criminal find the procedures, for a sound judicial system, extremely laborious.

We pledge to respect the independence of each government branch. The executive branch will do all in its power—and Congress will surely do the same—to use all available material and legal resources to eliminate the uncertainty that our fellow countrymen feel regarding the courts, thus fully preserving the judicial branch, which is perhaps the most important branch of government. [applause]

Messrs. legislators, the modifications and reforms that we are proposing do not exclude any particular sector. As we could not proceed otherwise, we will welcome the proposals and initiatives of all parties and all lawmakers. We do not reserve any specific sector for ourselves. As individuals, though, we should ask ourselves an essential question: After talking about the reform of the state, the administration, and the educational sector, are we really willing to reform ourselves? Or do we expect the changes to exclude us, to leave our own responsibilities unaffected?

Workers, businessmen, civilians, soldiers, farmers, city residents, teachers, housewives, youths, old men, those who are governed and those who govern: Are we all willing to undergo an internal change? Are we willing to exercise our powers at the most appropriate level? Are we willing to carry out our duties and to honorably exercise our rights?

This decision is entirely free; it is beyond any external power, because it depends only on ourselves. [words indistinct] the transformation. Then nothing will be impossible for us. [applause]

Fellow countrymen: I began my political party life when I was young. Following my blood and led by my own intellectual decision, I joined the ranks of the party that was founded by Brigadier General Manuel Oribe, who was an exemplary citizen, leader, and soldier. [applause]

For more than 30 years I have devoted my skills and my abilities to this endeavor. I was taught, however, that love for one's fatherland is a precondition that determines and justifies someone's love for his own party. [applause]

I will therefore strip myself of all my partisan feelings, not only because it is a constitutional mandate but also because of the serene certainty that the banner for the task that lies ahead can be none other than the Uruguayan flag. [applause]

On beginning this task and this march, deep in my soul I request the protection of God, the beginning and end of all things, of the God of our parents, through this prayer: Lord, make me an instrument of your peace. [applause]

Peace is a benign state to which we aspire as human beings and as a nation: the peace of free people, the peace of strong people, the peace of sympathetic people, peace with labor, order, and justice. On this very special day for me, my dearest wish and vow is to achieve peace.

Messrs. legislators, fellow countrymen, it is no longer the time for words. With the final applause at the final ceremony, a 60-month countdown will begin for both you and me, a countdown that will feature conflicts, confrontations, and disagreements. I believe and know, however—and I know more than I believe—that this time will be marked by goodwill from all of us, as diverse as we are. We are united with the same conscience and willingness as Uruguayans.

The fact that 60 months from now, in this same building, another citizen will swear with honor, by his honor, to defend the Constitution of the Republic, and that we will be able to deliver a better country to this citizen, represents the best token of our task.

Long live our fatherland! [applause]

Fernandez Conveys Castro's Message to Lacalle

*FL0303034890 Havana Radio Reloj Network
in Spanish 0332 GMT 3 Mar 90*

[Text] New Uruguayan President Luis Alberto Lacalle has met Jose Ramon Fernandez, vice president of the Council of Ministers of Cuba, who handed him a message sent by Cuban President Fidel Castro. In the message, Castro congratulated Lacalle on behalf of the Cuban Government and people. The commander in chief also confirmed the will to continue strengthening diplomatic, economic, and trade ties existing between Cuba and Uruguay, which resumed in October 1985.

Luis Alberto Lacalle expressed his gratitude for the message sent by the Cuban president and, likewise,

expressed his wish for the development of relations and trade between the two Latin American nations.

Jose Ramon Fernandez attended as official delegate the transfer of presidential powers in the Uruguayan capital on Thursday. He headed a Cuban delegation that held numerous meetings with outstanding figures of the South American country. [Havana TV in Spanish at 1200 GMT on 2 Mar, in a similar report, elaborated that Fernandez met with "the presidents of Colombia, Argentina, and Bolivia. He also met with former Argentine President Raul Alfonsin and the representative of Brazilian President-elect Fernando Collor de Mello." Havana TV added, "these meetings deny any alleged isolation of Cuba from the rest of Latin America."]

New Interior Minister Outlines Policy

PY0303161690 Montevideo Radio Carve in Spanish
0930 GMT 3 mar 90

[Excerpts] Shortly after being installed by the president, the new Interior Minister said the United States has offered assistance to the Uruguayan Government for suppressing drug trafficking. Minister Juan Andres Ramirez said he and the president analyzed the possibility of immediately providing more resources to the police, improving their morale and their efficiency. He admitted, however, that no decision has yet been made on salary readjustments. [passage omitted]

Carve asked the minister about the guidelines of the Interior Ministry policy.

[Begin recording] [Ramirez] Well, the main guidelines will be the following: First, police action has to conform to the Constitution and to the law. We at the Interior Ministry have been labeled as members of the Blanco Party, and we are very well aware that [Blanco Party founder] Brigadier Oribe was a president who struggled for that cause and who imposed order and enforced the law in our country. The main objective of our ministry will be strict compliance with the law.

[Reporter] What are the issues to which your ministry will give priority treatment?

[Ramirez] The main issue we will deal with first is security on the streets. Our main problem now is the large number of property-related crimes, some violent, such as robberies. Statistics also show that there has been a radical increase in sexual crimes over the past three years. [passage omitted]

[Reporter] Mr. Minister, can you give the details of the issues analyzed with the president?

[Ramirez] We analyzed the possibility of immediately increasing police resources, improving their morale and efficiency, and providing them with the equipment they need for combatting and investigating (crime).

[Reporter] Mr. Minister, the U.S. attorney general said here this morning that he talked with President Lacalle

about the providing special U.S. assistance to the Uruguayan police. Are you talking about that?

[Ramirez] I did not attend the meeting between the president and the U.S. attorney general, but I held a separate meeting with the U.S. official. One of the topics of our conversation was the offer of assistance, within the framework of general international cooperation plans or of bilateral cooperation with the United States, particularly for fighting crimes like drug trafficking.

[Reporter] What about the police budget? Any possibilities for increasing it?

[Ramirez] The issue is being analyzed but no decision has been made yet. The president, that is, the executive branch, intends to increase police salaries as much as possible and to improve their working conditions through other measures in the areas of housing, health, etc. [end recording]

Soviet Trolleys To Be Purchased in Barter Deal

PY2802130490 Montevideo EL DIA in Spanish
22 Feb 90 p 1

[Text] Recently concluded negotiations have arranged for Montevideo to receive 15 new Soviet trolleybuses as the first part of a barter deal with the Soviet Union. The barter terms will allow Uruguay to pay for the buses with local goods.

Reliable sources yesterday said that the deal, worth \$1.5 million, is already being implemented. The price of each unit is close to \$80,000. Part of the money will be allocated to the purchase of spare parts.

According to the sources, the deal had been proposed some years ago but could not be completed until an important group of local private investors gave the guarantees requested by the manufacturers. The Bank of the Republic will also guarantee up to 30 percent of the deal. The bank had previously refused to give the Cooprol [expansion unknown] cooperative guarantees to cover the whole deal.

According to the sources, the operation envisions the export of a certain amount of Uruguayan nontraditional products to the Soviet Union.

One of the directors of the firm "Trading" [preceding word in English], which made the deal possible, will travel to the Soviet Union next week to adjust the details of Uruguay's compensatory payment.

Venezuela

Diplomatic Relations With Panama 'Normalized'

PA0303030890 Paris AFP in Spanish 0127 GMT
3 Mar 90

[Text] Caracas, 2 Mar (AFP)—Venezuela and Panama normalized diplomatic relations today and Faustino

Pulgar Gruber, Venezuelan ambassador in Panama City, resumed his duties today, it was reported here officially.

Asked if Venezuela will now recognize the government of President Guillermo Endara, acting Foreign Minister Raul Adolfo Taylhardat said that "it is a renormalizing of relations. Venezuela had withdrawn its ambassador, but now he has returned to the embassy."

"The U.S. troops have withdrawn. What is more, in a speech to the Legislative Assembly yesterday, Endara announced that he plans to convoke a referendum to confirm the people's recognition of the government that he heads," Taylhardat stated.

After the U.S. invasion of Panama in December, Venezuela conditioned recognition of the Endara Government on the withdrawal of the U.S. troops and the formation of a constituent assembly to draft a new constitution and organize elections.

Guyana

Government Moves To Establish Coast Guard

FL2802145390 Bridgetown CANA in English
1257 GMT 28 Feb 90

[Text] Georgetown, Guyana, Feb. 28, CANA—The Guyana Government will be introducing legislation in the National Assembly (Parliament) shortly to pave the way for setting up a coast guard. It is intended that the soldiers and officers of the existing maritime corps of the Guyana Defence Force (GDF) will form the nucleus of the coast guard.

The body will have a key role in policing the country's more than 200 miles of coastal waters offshore and its exclusive economic zone which extends some 200 miles into the Atlantic Ocean. The bill seeking to set up the coast guard is in the name of Attorney General and Minister of Legal Affairs, Keith Massiah.

The move will strengthen the fight against illegal dealings in narcotic drugs and psychotropic substances and in the movement of contraband goods. But members of the coast guard will also be charged with enforcing the provisions of a number of other laws including those relating to immigration, harbours and ports, quarantine and the territorial sea, continental shelf, exclusive economic zone and fishery zone of Guyana. They will also be charged with responsibility for detecting and preventing the contravention of laws relating to revenue and customs and will have the same powers, authorities and privileges conferred on members of the Guyana Police Force.

Government Reacts to 'Irresponsible Journalism'

FL2702155790 Bridgetown CANA in English
1452 GMT 27 Feb 90

[All quotation marks as received]

[Text] Georgetown, Guyana, Feb 27, CANA— The Guyana Government has written the Trinidad EXPRESS newspaper, complaining about "irresponsible journalism." The letter signed by government spokesman, Christopher "Kit" Nascimento and made available to CANA, referred to an article headlined: "Robinson Expected to Break Silence on Guyana" and published by the EXPRESS on February 15.

Nascimento contended the article suggests that Prime Minister A.N.R. Robinson is contemplating "intervention" in Guyana and seeks to draw a parallel between Guyana and Haiti by attributing to "leading members of the National Alliance for Reconstruction (NAR)" statements that "there is as much evidence of a lack of democracy in Guyana as there is in Haiti."

"The government of Guyana takes the strongest possible exception to this article and considers it totally irresponsible journalism," wrote Nascimento whose official designation is executive chairman of the Guyana Public Communications Agency (GPCA). He continued: "There is a military dictatorship in place in Haiti which rules by force of arms. Political leaders in Haiti are either silenced, expelled, or murdered. Freedom of association and expression is non-existent."

"Guyana is governed by a civilian government with a functioning Parliament. There is an extremely active, vocal, if not strident political opposition. There is a vigorous, independent trades union movement. There is absolute freedom of movement and expression. Religious freedom is constitutionally guaranteed, protected, and practiced. There is an independent judiciary which frequently rules against the government."

Nascimento said the article gives credence to an organisation called the "International Solidarity for Democracy in Guyana (ISDG) that was lobbying "for democracy" in Guyana. "No such organisation is known to exist in Guyana. Are its office bearers nameless? Which "coalition" of parties in Guyana does it represent, and which workers' organisation? Or is it simply a fiction? What are the "issues of democracy and human rights" your reporter claims it is concerned with?" Nascimento asked.

He complained that the EXPRESS made no official enquiries to check the story. "The article is in itself contradictory. It reports a six week bauxite and sugar strike in May 1989. In Haiti, where militant trades unions are non-existent, such a strike is impossible," he said.

"True, there has been recently the unfortunate occurrence of a few ill-placed and amateurishly made bombs exploding near telecommunication installations that did minimum damage and hurt no one. This is a far less unsettling situation of the reports of Trinidad and Tobago, unfortunately, suffering from repeated incidents of the most violent drug-induced, criminal activity featuring daylight bank robberies, visitors travelling from the airport being beaten and robbed, a prominent

citizen murdered in his home, and even an assassination attempt on the president of the Republic."

"It would be foolish and irresponsible, however, to suggest that development is threatened or that a breakdown of law and order is imminent in Trinidad and Tobago or to draw some foolish parallel with, for instance, the situation in Medellin in Colombia. Yet that is precisely the kind of nonsense your reporter indulges in with respect to Guyana."

Working People's Alliance on Nicaraguan Vote

*FL2802202590 Bridgetown CANA in English
1830 GMT 28 Feb 90*

[Text] Georgetown, Guyana, Feb 28, CANA—Guyana's opposition Working People's Alliance (WPA) has declared that the results of the elections in Nicaragua are of "great significance" for Guyana. The party which, together with several other opposition parties has consistently accused the ruling People's National Congress (PNC) of retaining power by rigging elections, has, however, charged that there was foreign interference by the United States Administration in last Sunday's [25 February] elections in Nicaragua.

Moses Bhagwao of the WPA told CANA the developments in Nicaragua, which saw the Sandinista government suffering defeat at the polls, are of "historic significance," emphasise a process of pluralism and because the 'political phile of' pluralism has been.... [sentence as received].

He said the results speak very highly of the Sandinistas that they gave a commitment to hold free and fair elections and they have observed their commitment. "The results have shown that they have not by any way fiddled or rigged the electoral process and the results have come out which appear to be acceptable to all," Bhagwan explained.

He continued: "This is of great significance for Guyana because the whole world is witnessing a process of political renewal.... And freely elected governments are

coming into place where dictatorships.... And this places Guyana in a position of isolation."

He said Guyana is being isolated from the universal trend, "is being pushed into a corner and will face the prospect of probably being the last outpost of dictatorship in the world if it does not stand up and take note of the refreshing trends in the Caribbean, in Latin America, in Eastern Europe and in other parts of the world."

Noting that there were some 2,000 observers in Nicaragua for last Sunday's presidential and parliamentary elections, he said the WPA also wanted to see an "open electoral process" at the next elections in Guyana which must be held by March next year.

Suriname

Delegations Discuss New Loans From Venezuela

*FL0203191190 Paramaribo International Service
in English 1730 GMT 2 Mar 90*

[Text] Suriname may borrow money again from Venezuela, while repaying the current debt to that country, which runs to the tune of \$4 million. This has resulted from discussions on repayment of the loan which were rounded off in the Venezuelan capital, Caracas, last week. During the discussions, Suriname was represented by a three-man delegation led by the president of the Central Bank, Henk Goedschalk. The Venezuelan delegation was led by the vice president of the Central Bank of Venezuela, (Billy Castro Rodriguez).

During the discussions, they have agreed that the time for paying back the money will be extended and Suriname will not have to pay back the so-called extra interest from arrears. Suriname has furthermore been given the opportunity to seek new loans while the current debt to Venezuela is being repaid. Suriname has since 1985 borrowed money from Venezuela for the import of goods, among which are construction materials.